Austria Sch 18	Indonesia Rp 2700	Portugal Esc 80
Bahrain Din 0.650	Italy L 1300	S. Arabia Rls 6.00
Belgium BFr 38	Japan Y 350	Singapore S$ 4.10
Canada C$2.00	Jordan Fils 500	Spain Pta 110
Cyprus C£0.80	Kuwait Fils 500	Sri Lanka Rup 30
Denmark DKr 7.25	Lebanon £L 8.00	Sweden Skr 6.50
Egypt E£1.00	Luxembourg LFr 38	Switzerland SFr 2.20
Finland Fmk 6.00	Malaysia Rm 4.25	Taiwan NT $35
France FFr 6.00	Mexico Pes. 300	Tunisia Din 0.600
Germany DM 2.20	Morocco Dh 6.00	Turkey L 210
Greece Dr 70	Netherlands Fl 2.50	U.A.E. Dh 5.50
Hong Kong HK$ 12	Norway Kr 6.00	U.S.A $1.50
India Rup 15	Philippines Pes. 20	

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Dollar: Prepare for a crash landing, Page 25

World news

Portugal's President in talks on coalition

Portugal's President Antonio Ramalho Eanes last night expressed his concern at the "grave situation" created by the decision of the Social Democrats to quit the centre-left coalition.

After talks with Socialist Prime Minister Sr Mario Soares, President Eanes said that as soon as the split in the two-year old coalition became formal on June 13 – 24 hours after the country signs its EEC accession treaty – he would begin talks with the political parties in an attempt to find a solution.

The president has three options: asking Sr Soares to form a minority government, appointing a presidential government or dissolving parliament and calling a snap election. **News analysis, Page 26**

Anti-apartheid move

The U.S. Congress moved significantly closer to imposing economic sanctions on South Africa, with the adoption of a series of anti-apartheid measures by the Senate foreign relations committee. They included a ban on all U.S. bank loans to the South African Government. **Page 4**

Craxi issues threat

Italian Prime Minister Bettino Craxi said he would resign next week if Italians approved in a referendum proposal sponsored by the opposition Communists, which seeks to reverse a wages curb imposed last year. **Page 2**

French squabble

The hopes of the French opposition parties of impressing public opinion with a display of their unity have been badly jolted by a fresh squabble among their leadership on the shape of future economic policy. **Page 3**

U.S. spy concern

U.S. officials, alarmed by an increase in spying, say they might cut back on the 4.3m Americans at present entrusted with defence secrets.

UK press code

The UK Press Council, the body which supervises press standards, says new regulations to cover the professional conduct of financial journalists would be undesirable. But it has produced a set of voluntary guidelines. **Page 6**

Olympic chief resigns

International Olympic Committee director Monique Berlioux announced her resignation, because of differing opinions with the executive board, after 10 years with the IOC.

Terrorist move

The Sri Lankan Government said it had decided to introduce laws to fight terrorism, possibly including the death penalty.

Paris factory clash

More than 40 people were injured when workers and riot police clashed at the Swedish-owned SKF factory outside Paris which was closed by the management.

Peasants kill rebels

Peruvian peasants hacked and stoned 15 Maoist guerrillas to death outside a village in the turbulent Andean province of Ayacucho. The peasants set upon the rebels after they killed two watchmen.

Last commune goes

The last of China's communes, the radical social experiment of the late Chairman Mao Tsetung, have been abolished, marking victory for the policies of reformist leader Deng Xiaoping.

Tehran raid

Iran said two people were killed and five injured in a pre-dawn Iraqi raid on Tehran.

Business summary

Warner may face takeover battle

WARNER Communications, U.S. film and entertainment group, faced the prospect of another takeover battle when its major shareholder, Chris-Craft, rejected management plans for a buyout and said it might make an offer for the company. **Page 27**

WALL STREET: The Dow Jones industrial average closed up 5.26 at 1,320.56. **Section III**

STERLING closed in New York at $1.257. It declined in London, losing 2 cents against the dollar to $1.257. It also fell to DM 3.86 (DM 3.8975), FFr 11.765 (FFr 11.885), SwFr 3.245 (SwFr 3.28) and Y313.75 (Y318.0). The pound's exchange rate index fell 0.9 to 78.8. **Page 47**

DOLLAR closed in New York at DM 3.07, FFr 9.37, SwFr 2.58 and Y249.4. It made gains in London, rising to DM 3.072 (DM 3.054), FFr 9.365 (FFr 9.31), SwFr 2.583 (SwFr 2.569) and Y249.4 (Y249.1). On Bank of England figures the dollar's index rose to 145.5 from 144.6. **Page 47**

GOLD: In New York the Comex August settlement was $318.45. It fell $0.75 on the London bullion market to $315.00. It was also lower in Zurich at $314.75. **Page 46**

LONDON investors clipped back the prices of blue chip industrial stocks. The FT Ordinary share index was down 3.1 at 1,017.1. Gilts were easier. **Section III**

TOKYO: share prices advanced across the board. The Nikkei-Dow market average added 109.90 to 12,693.21. **Section III**

AUSTRALIAN share prices fell again following the release of the Federal Government's tax proposals. The All-Ordinaries share index was down 7.1 at 854.2. **Section III**

SOUTH AFRICA is expected to make a further cut in its interest rates. Gerhard De Kock, Governor of the Reserve Bank, said the central bank's discount rates will probably be cut by another percentage point.

SOVIET UNION is to spend 10bn roubles ($12bn) on a project to divert water from Siberia to irrigate the plains of central Asia, using a 2,500 kms long canal.

U.S. FINANCIAL market revolution is lowering credit standards and confidence in the system, Dr Henry Kaufman of Salomon Brothers warned. **Page 4**

JAPAN'S seven trust banks produced record earnings in the year to March, with combined pre-tax profits ahead 49.1 per cent, in contrast to the country's city and regional banks. **Page 28**

BANKAMERICA, which revealed on Tuesday that it might only break even in the current quarter, has had its credit ratings lowered by Standard & Poor's, the U.S. agency. **Page 27**

OCCIDENTAL PETROLEUM said Shell Petroleum, a principal holding company of the Royal Dutch/Shell Group, has agreed to buy 50 per cent of Occidental's Colombia oil interests for about $1bn, of which $750m cash will be paid in closing.

ABBEY LIFE GROUP, Britain's second largest linked life company, made its debut on the market with a public offer of 435m shares (48.2 per cent of the equity) at a price of 180p a share. This valued the group at £504m ($640m), the largest UK share offer this year outside a Government sell-off. **Page 9**

WANG LABORATORIES, U.S. office equipment manufacturer, said it expected a loss for the fourth quarter of fiscal 1985 and was cutting its workforce by 5 per cent, or about 1,500 people. **Page 27**

AT&T, U.S. telecommunications group, is to buy near-total control of three of the five earth satellite communications stations it now owns jointly with Comsat and others.

TOSHIBA, Japanese diversified industrial and electronics group, lifted its net profits 46 per cent to a record Y86.12bn ($345m) in the year to March on sales up 23.5 per cent to Y3,342bn. **Page 28**

General Motors to pay $5bn for Hughes Aircraft

BY TERRY DODSWORTH AND PAUL TAYLOR IN NEW YORK

GENERAL MOTORS, the world's largest car maker, emerged yesterday as the victor in a keenly contested sealed-bid auction for Hughes Aircraft, the U.S.'s premier electronics defence contractor, with a cash and paper offer valued at $5bn.

The deal, described by Mr Roger Smith, GM's chairman, both as marking "a truly grand day for GM" and a move which will position the car maker "for the 21st century," represents a further major diversification for the Detroit company, which only last year paid $2.5bn for EDS, the Texas-based data processing group.

Only a few years ago, analysts say that such a deal would automatically be ruled out by the U.S. anti-trust authorities on the grounds of GM's size – it is expected to have sales this year of $100bn. But Mr Smith said yesterday that the company had "looked very carefully" at the anti-trust position, and did not expect any opposition.

Part of the reason that the U.S. Administration appears to be taking a more lenient view to such deals is its concern to improve the competitive position of the nation's car makers. Mr Smith alluded to these competitive pressures yesterday, emphasising that a key element in the takeover was the ability of Hughes to aid GM in the use of electronics in both its cars and factories.

Morgan Stanley, the Wall Street investment bank which handled the auction for the Howard Hughes Medical Institute, Hughes Aircraft's owner, said it was the largest private transaction in history and the biggest non-oil deal ever.

It follows close on the heels of two other record-shattering mergers, the Allied-Signal deal last month, and the proposed takeover of Nabisco Brands by R J Reynolds earlier this week. Both of these were also worth close to $5bn.

While Morgan Stanley repeatedly refused to identify the other bidders for Hughes, saying that the details of the auction were "confidential", GM beat Ford Motor and the Boeing Aerospace group to win the prized California-based electronics and defence company.

The results of the auction, held several weeks ago, had been delayed by the complexity of the offers. GM's successful bid comprises $2.7bn in cash and 50m shares of a new common stock, specially issued for the transaction.

The issue of the new stock, which will be publicly quoted but have only limited voting rights, mirrors the terms of last year's EDS acquisition and further establishes the precedent of a major publicly-quoted company having more than one class of common stock.

Under the terms of the agreement, GM said it will set up a separate, independent subsidiary to be known as GM Hughes Electronics (GMHE), into which it will inject its own substantial electronics interests, including its Delco electronics unit. Mr Smith emphasised yesterday that the current management of Hughes will be retained.

Hughes Aircraft was put on the market by the medical institute, originally set up in the 1950s by Mr Howard Hughes, the reclusive billionaire, reportedly as a tax shelter.

The group, once part of Hughes Tool, ranks as the nation's seventh largest defence contractor and had earnings last year of around $250m. Its major Pentagon projects include missile systems, radars and other sophisticated electronic weapons.

It is also one of the leading satellite builders and active in Nasa's space shuttle programme and President Reagan's star wars Strategic Defence Initiative.

GM plans Japanese joint venture, Page 5; GM takes a $5bn gamble, Page 24

London SE vote fails to endorse reform package

BY JOHN MOORE, CITY CORRESPONDENT, IN LONDON

LONDON Stock Exchange members have failed to give sufficient support to a series of constitutional reforms proposed by the exchange's ruling council in one of the biggest upsets in the reform programme for the British securities market. But the members have voted in favour of a crucial reform which will permit international financial groups and other companies to buy full control of stockbrokers and stockjobbers.

Sir Nicholas Goodison, chairman of the exchange, said last night that he was sad about the outcome of the vote for the constitutional reforms. He said that the vote had failed by a very small margin. The figures show that just 54 votes were needed to give Sir Nicholas and the stock exchange ruling council the support that it needed, in what was widely predicted by brokers and jobbers would be a "knife-edge climax."

In a poll of all members yesterday, more than 3,900 of the 4,495 members cast their votes during the day. When the poll closed about 20 stock exchange staff counted the votes for more than two hours.

Two resolutions were voted on in the poll. The first – requiring a simple majority of the members voting – was designed to allow the market's ruling council to relax a rule which limits groups outside the stock exchange to 29.9 per cent shareholdings in stockbrokers and stockjobbers. Instead, outside groups will be able to control 100 per cent.

Some 3,248 voted in favour of that resolution, while 628 members voted against. The figure excludes eight spoiled ballot papers. the stock exchange, therefore, gained 82.67 per cent support for this vote.

Support for the second resolution would have let the stock exchange amend its main constitutional document to allow the ruling council to shift the eventual proprietorship of the exchange from individual members to member firms.

The resolution also incorporated an ambitious scheme to create a market in the shares of the stock exchange itself, which could be freely traded. It was designed to compensate the members for the participation of big outside groups on the stock exchange. This resolution required a 75 per cent majority of those voting. It gained 73.64 per cent.

The returns for this resolution showed that 2,890 members voted for the proposal while 1,035 voted against. This excluded eight spoiled ballot papers.

Sir Nicholas said after the vote: "This means that not quite enough members supported the council's view that, in the long term, proprietorship of the stock exchange should be shifted to firms and that

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UK sets soft terms for $63m S. Korea export finance deal

BY CHRISTIAN TYLER AND IAN RODGER IN LONDON

THE BRITISH Government has set up a subsidised export finance deal for a South Korean buyer that just scrapes under the net of OECD rules designed to control such subsidies.

The complicated deal, involving some $63.5m worth of subsidised loans, has enabled Davy McKee, the engineering contracting group, to clinch a delayed contract worth nearly $75m to build a second blast furnace for Pohang Iron and Steel (Posco).

Only around 8 per cent is being charged for the fixed-rate export finance, underwritten by Britain's export Credits Guarantee Department. This is nearly 4 percentage points less than the OECD currently allows.

Yet the deal was said last night to be "within OECD guidelines."

The case was described by officials as "very sensitive." This appears to be because ministers have been extremely critical recently of other countries' soft loans to help their exporters.

It is also because of the Koreans' refusal to accept government-to-government aid as a way of reducing the interest rate on this "commercial" deal.

It was said last night that Korea has been refusing aid for fear of stirring up trouble with the U.S. American steel makers protest loudly when subsidised plant is built in developing countries to make steel that will penetrate the U.S. market.

However, it is still possible the UK could have provided the credit at 8 per cent by mixing some aid money into the commercial loan, creating a so-called blended credit.

The OECD has been notified of the arrangement, and no objection was raised, officials said.

Davy McKee's problem was that the money had been promised on the same terms as the first blast furnace it built for Posco. The company had for long been chosen by Posco to build the second. But if the finance was not forthcoming, the job might have gone to international tender, and been won by Japanese competitors.

The company received a letter of intent from Posco last autumn but the signature was held up by a disagreement between the UK and South Korean governments on the form of financial support being provided by official British agencies. Korea did not want the support to be in the form of aid and Britain did not want to breach OECD guidelines on interest relief on loans.

The blast furnace is to be built at Posco's new Kwangyang works on the south coast of Korea.

Occidental sells $1bn Columbia stake to Shell

By William Hall in New York

OCCIDENTAL Petroleum, the Los Angeles-based oil company, has sold a 50 per cent stake in its newly discovered Colombian oilfield to the Royal Dutch/Shell group for $1bn.

Occidental, which has a reputation for finding oil where others have failed, discovered the giant Cano Limon oilfield in the Llanos basin of north-eastern Colombia in July 1983. Since then the field, which is located close to the Venezuelan border, has become one of the most exciting oil prospects in the depressed world oil industry.

The new field is estimated to contain at least 1bn barrels of oil, which makes it rank as one of the biggest fields to be discovered since the discovery of Alaska's Prudhoe Bay in the 1960s. Oil industry observers say that the area could contain close to 2bn barrels of oil when exploration is finished.

Occidental has a 50 per cent share in the field along with Ecopetrol, the Colombian state oil company, and Dr Armand Hammer, Occidental's 86-year-old chairman, has said that it is the most exciting thing to happen to his company since it discovered oil in Libya and the British North Sea.

Shell Petroleum NV, a principal holding company of the Royal Dutch/Shell group, is taking a 50 per cent interest in Occidental's oil interests and discoveries for $1bn, of which $750m will be paid in cash on the closing which is expected to be on or about July 1.

The sale involves all of the stock of Occidentals subsidiary, Colombia-Cities Service Petroleum Corporation which owns 50 per cent of Occidental's interest in the Associatintract in the Crayo Norte block, which contains the Cano Limon field and recent oil discoveries in Redondo and Cano Verde. This subsidiary also owns 50 per cent of Occidental's interests in the association contracts in Cinaruco, Corocora, Rondon, and Rio Tame blocks as well as 50 per cent of Occidental's producing interest in Las Monas.

The deal is a major move for Occidental which has a net worth of $2.8bn and had a market capitalisation of $3bn ahead of the deal. Following the announcement its shares jumped $2 to $32¾. Occidental will remain the operator of the operations.

The agreement was announced in Bogota after a meeting between Colombia's President Betancur, Dr Hammer and Mr J.M.H. van Engelshoven, a group managing director of Royal Dutch/Shell.

President Betancur welcomed Royal Dutch/Shell's participation

UK to develop Stansted as a London airport

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT, AND STEFAN WAGSTYL IN LONDON

THE UK GOVERNMENT is to allow the development of Stansted airport, 30 miles (48 km) north-east of London, from its present capacity of 2m passengers a year to an eventual total of 15m.

It has also rejected, for the time being, proposals for a fifth passenger terminal at Heathrow, London's main airport. But this possibility will be kept under review.

The proposals, certain to produce another major battle in the long-running saga of London's airport development, are the main conclusions of the Government's long-awaited White Paper (policy statement) on UK airports, issued yesterday. It is designed to create a policy for airport development throughout the country until the end of the century.

The White Paper also confirms the Government's intention to privatise the British Airports Authority (BAA), which runs seven airports, as soon as possible. It will be privatised as a single entity – but as a holding company owning seven separate companies, each running an airport.

The policy statement reveals that Luton council, owner and manager of Luton airport in Bedfordshire, 30 miles north of London, has been asked to study its possible expansion from the present capacity of 3½m passengers a year to 5m.

Manchester airport, in north-west England, will be developed as a major regional hub airport attracting more international services.

The other important development revealed in the White Paper is the Government's intention to introduce legislation obliging local authorities which own airports to turn them into private sector companies. The shares could be owned either by the authorities or private investors, or both.

The aim would be to ensure that more competition and private sector finance was introduced into the running of these airports.

The White Paper seeks to lessen the impact on residents around Stansted, which is close to the town of Bishop's Stortford, by stating that development would be in phases. The first phase will increase capacity up to between 7m and 8m passengers a year. No timetable is given for this There will be a limit – undisclosed – on the number of aircraft movements and no second runway will be built.

The White Paper does say, however, that "in time, increases in demand may justify further development to use the full capacity of Stansted's runway (25m passengers a year)."

In the House of Commons, Mr Nicholas Ridley, the Transport Secre-

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White Paper details, Page 6; Editorial comment, Page 24

Row over Brussels car pollution plan

BY QUENTIN PEEL IN BRUSSELS

THE EUROPEAN Commission yesterday published proposals for tough new limits on car exhaust pollution and immediately ran into a barrage of criticism from environmentalists and the motor industry.

National officials in Brussels fear the proposals might upset the precarious political compromise agreed by environment ministers last March, when they set a timetable for the introduction of less-polluting cars.

No precise standards were set then. They have to be agreed by the end of the month if West Germany is not to press ahead unilaterally on July 1 with a tax incentive scheme for cars "friendly" to the environment.

This would almost certainly spark off retaliation by France. It is argued in Brussels that failure to agree on standards would threaten Community-wide competition in the car market, the largest genuine common market for industrial goods in the EEC.

The Commission's proposals are aimed at finding a middle way between the demands of the environmentalist lobby, in West Germany in particular, and the fears of the car makers in other member states.

The Commission suggests that emissions of nitrogen oxides, the most damaging component of vehicle pollution, be restricted to 3.5 grammes per test for large cars (over 2 litres) and to 4.0 grammes per test for medium cars (1.4 to 2.0 litres). This compares with a Ger-

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CONTENTS

Mexico's President in Spain

By Tom Burns in Madrid

MEXICO's President Miguel de la Madrid arrived in Spain yesterday on the fist leg of a Euopean tour that includes Belgium, France, West Germany and Britain.

He arrived in Seville and travels to Madrid today to begin a five-day official trip which will focus strongly on increased commercial links and the feasibility of Mexican-Spanish joint ventures.

Aside from several rounds of talks with Prime Minister Felipe Gonzalez and King Juan Carlos, President de la Madrid will meet business and banking leaders in Madrid and Barcelona.

A key intention of the visit to Spain and the remainder of the tour is to signal the recovery of the Mexican economy. Spanish exports to Mexico, which peaked at $513m in 1981, had slumped to $123m by 1983 and were down again last year.

Spain is the second largest importer of Mexican oil and Mexico's petrol-based exports to Spain run close to $2bn annually.

Once the more mature joint venture projects concerns the Spanish aerospace company Casa which is bidding for an agreement to build 10 units of its Aviocar C-212 adapted for coastal patrol use by the Mexican navy.

David Barchard examines Ankara's feelings towards the European Community

Impasse in Turkish–EEC relations

LAST MONTH the European Community staged an exhibition in the Turkish city of Van, 800 miles east of Ankara and only 50 miles from the Turkish-Iranian frontier. The aim was to explain the EEC and its working to ordinary Turks. Brussels has been engaged in this kind of activity, including inviting officials from Ankara to visit the Berlaymont, for some time. However, the impasse in Turkish-EEC relations shows no sign of lifting.

In theory, Turkey should only have another 10 years to go before it completes a transitional phase started in 1973 and aimed at a full customs union: at that point it would presumably have become eligible to apply for full membership.

In practice, however, the 20-year-old association agreement which, unlike the association agreements of the south Mediterranean countries, specifically aims at eventual full Turkish membership of the EEC, has run on to the sand. The organs of the association, its joint committees at ministerial and parliamentary level, have not met for five years.

Turkey stopped making tariff cuts in 1977. The Community is unable to honour an undertaking made more than 10 years ago to allow the free migration of Turkish workers inside its member countries from 1986.

The larger issues remain unresolved, while short-term disputes simmer. Turkey wants more access to EEC markets for its textiles. It resents a 3½ year ban on Community aid under the fourth financial protocol, imposed in 1981 because of concern at Turkey's human rights record under the military administration.

Greek accession has brought some additional problems with Community minimum import prices being applied to what were traditional Turkish exports to Europe, such as figs and bananas.

The question overshadowing all these short-term difficulties, however, is whether or not Turkey should make an application for full membership of the EEC.

In 1980, five years after the Greeks applied for full membership, Turkey's last civilian government announced it would apply that year, but the army takeover of September that year forestalled the move.

All subsequent Turkish governments have been committed to the idea of an application in the fairly near future. Mr Turgut Ozal, the Prime Minister (suspected by his critics for facing eastwards to the Islamic world rather than westwards to Europe) has spoken of a possible "surprise application" and has sometimes seemed to regard the matter as a diplomatic game of nerves.

According to officials, however, Turkey is expected to apply within the period of the present five-year plan, which ends in 1989. There are known to be regular high-level discussions over whether or not the application should be made, but the spirit of all these discussions is fairly clear. Turkey is not in a European mood; for trade it is looking to markets in the Middle East, Africa and Asia; for defence it is aligning itself more closely with the U.S.; in culture, it is looking increasingly to its Ottoman and Islamic past.

Some officials believe that an application at the moment, particularly while the EEC is struggling to adapt to the Spanish and Portuguese enlargement, would be premature.

"We may be naive but we are not stupid," says one official. "If we cannot get the basic elements of the association agreement to work, why should we make an application for full membership." He believes that Turkish membership is unlikely before the turn of the century. "We should knock on the door when we can stand tall."

Pride over symbolic issues remains an important strand in the troubled relationship. European criticism, particularly in the European Parliament, over allegations of torture (firmly denied by the Minister of the Interior) and such controversial court cases as the jailing of peace activists, is bitterly resented.

In this atmosphere of mutual recrimination, day-to-day diplomacy between Turkey and the EEC is conducted in a chilly spirit. The Community maintains an information office in Ankara which has taken some of the sting out of the strong "Turkish anti-marketeer" lobby which existed in the 1960s and 1970s.

Instead, the Community has to contend with Istanbul businessmen who are in favour of Turkish entry at the earliest possible moment as well as a resentful government. A top EEC official who recently visited Turkey is said to have been struck by what he regarded as the gap between Turkish perceptions of the Community and the realities of the Berlaymont.

The most thankless diplomatic job in Ankara remains that of the head of the EEC office there: it is currently held by a former Labour Party politician, Mr Gwyn Morgan, who does not lead an easy life.

One particular difficulty is that the Turks tend to view the Community in terms of their undoubted strategic importance to the Western Alliance. EEC insistence that "the Community is not a defence community" is met with total incomprehension or scepticism.

That casts a light on the original motivation behind the 1964 Treaty of Ankara which set up the Association Agreement. Discreet behind-the-scenes pressure from the U.S. (which has never been eager to see its relations with Turkey become too overtly bilateral) was responsible for the original idea of full membership.

It was eagerly adopted by the elder generation of Turkish diplomats, who were and are still eager to lead Turkey as far and firmly as possible into the Western European community of nations.

The U.S. apparently has not entirely relinquished the idea of full Turkish membership.

Economists, however, remain troubled by the idea of a customs union between Turkey and the Community. "When you get a customs union between a semi-industrialised country and one or more advanced industrial economies, the usual effect is that the less developed economy starts to deindustrialise," says one American economist.

That is precisely the fear that lay behind often obsessive hostility towards the Community in Turkey among the political extremes a decade ago.

Everyone agrees that the immediate way to move forward is to unblock the $530m owing under the fourth financial protocol.

The aid is expected to be unblocked some time in 1986 – though exactly when will depend partly on the political balance between conservatives and socialists in Europe, and partly on Turkey's perceived progress in its transition towards full parliamentary democracy.

But real progress in the relationship may have to wait until after the next Turkish elections (due in 1988) produce a parliament in which the major opposition parties are represented.

Craxi threatens to quit if wage poll goes against him

BY JAMES BUXTON IN ROME

SIG BETTINO CRAXI, the Italian Prime Minister, said yesterday that he would resign "one minute later" if the vote in this weekend's referendum on wage indexation goes against his Government's policy.

Nearly 45m Italians are to be asked whether they want four points cut last year from the scala mobile wage indexation mechanism to be restored thus triggering pay rises of up to L27,200 (£11) a month for wage-earnings covered by the system.

The referendum was promoted by the opposition Communist Party after it failed last year to stop the Craxi Government from making the temporary cut in the index as an anti-inflation measure.

Sig Craxi's decision to link the fate of his Government to the outcome of the referendum runs counter to the attitude towards the referendum adopted by most of the other members of his five-party coalition. The Christian Democrats have given the impression that the referendum outcome does not matter very much.

While the Communist party is campaigning hard for a vote of "Yes" to the virtually unintelligible 200-word question which voters are being asked to respond to, the campaign for a "No" vote has been thin.

By threatening to resign, Sig Craxi may actually reinforce his position vis-a-vis his coalition partners whatever the outcome. If the "No" vote prevails he can claim most of the credit for the victory; if the "Yes" vote wins he can blame his allies for letting him down and require them to give him stronger support in a new Government. Whether his threat will have any effect on the voter remains to be seen.

At a news conference in Rome yesterday the Prime Minister exuded considerable confidence that the "No" vote would be victorious. He refused to be drawn on what might happen next if he did have to resign.

Sig Craxi warned yesterday that the outcome of a "Yes" vote would be a boost to inflation. Confindustria, the private employers' association, says it will in any case only pay wage increases in respect of two of the four points that would be restored, and will formally abandon the scala mobile altogether next year.

'Dynamite' proves a damp squib

By Hilary Barnes in Copenhagen

THE POWER of trade union money to bring down Denmark's non-Socialist coalition Government was put to the test yesterday.

The Special Workers Union of unskilled workers has allocated DKr 180m (£12.8m) to an anti-Government campaign, an unheard-of sum in Danish political terms and equal to 30 times the budget for Prime Minister Poul Schlueter's Conservative Party.

The union campaign is the result of the Government's statutory incomes policy imposed in March which is designed to hold the increase in wages to about 2 per cent a year over the coming two years.

The union got into its stride yesterday when it decided to make Denmark's World Cup qualifying round soccer match against the Soviet Union an opportunity to rally the troops.

There is a soccer chant here: "We are red, we are white, we are Danish dynamite."

"Put Danish dynamite under Schlueter," the union urged in Press advertisements this week. "First the kick-off against Schlueter and football afterwards," they added, calling for demonstrations in Copenhagen before the match yesterday afternoon.

But when Mr Hardy Hansen, the union chairman, turned up to address the crowd outside Parliament yesterday morning there were only 300 people in a square which can accommodate well over 100,000.

"They couldn't even sell soap powder the way they are carrying on," said the Prime Minister.

Inquiry into Nobel group arms sales

By David Brown in Stockholm

NOBEL INDUSTRIES, the Swedish armaments and chemicals group, is under investigation for violating Stockholm's ban on arms shipments to nations at war.

Export documents discovered at the Nobel Kemi subsidiary—which suggest that "large amounts" of explosive material have been shipped to several Gulf states over the past two years — have been seized by customs officials here.

The group is alleged to have supplied weapons, including primary explosive charges for missiles and other ammunition, to the Iranian army.

Nobel Industries, which is refusing to comment, was formed through the takeover late last year of KemaNobel, Sweden's largest chemicals group, by Bofors, the armaments manufacturer.

The group has been dogged by persistent charges of illegal weapons supplying. The most recent, concerning guided missile sales to several Gulf states, is the subject of a separate police inquiry.

Irish table Bill to extend voting right

A Bill to give voting rights to British citizens living in the Irish Republic was moved in the Dail (Parliament) yesterday. An estimated 12,000 people will benefit, writes Brendan Keenan in Dublin.

It also provides for the extension of voting rights on a reciprocal basis to citizens of other EEC countries. The Government hopes the Bill will encourage EEC states to extend the right to vote in parliamentary elections to EEC citizens.

Fiat subsidiary to supply assembly lines for GM

BY ALAN FRIEDMAN IN GRUGLIASCO, PIEDMONT

COMAU, the factory automation and machine tools subsidiary of the Fiat Group, is to supply General Motors of the U.S. and Canada with $80m of automated assembly lines for the manufacturing of aluminium cylinder heads.

The order, which is to be completed by the end of this year, calls for Coman to supply about 50 large metal cutting and assembly transfer lines, which include more than 200 robots for metal cutting operations. The robots are capable of working from five different angles and the assembly machinery is electromechanical and contains hydraulic elements.

The manufacturing and assembly machinery, with a total productive capacity of 10,000 cylinder heads a day, is destined for two Chevrolet factories in the General Motors network. One is at Tonawanda near Buffalo, New York, and the other at Saint Catherine's in Ontario.

Coman, which last year reported a L14.2bn ($7.2m) net profit on L496bn ($252m) of sales, derived roughly 70 per cent of its turnover from domestic sales, including intra-group orders for Fiat.

Dr Paulo Cantarella, Coman managing director, said yesterday that in the last eight months of 1984 the company received $160m of new orders from the U.S. More than $100m of these orders are expected to appear as part of Coman's 1985 total sales.

Dutch factory shelved

BY LAURA RAUN IN AMSTERDAM

INMOS, the British integrated circuit company, and two Dutch Government-sponsored venture capital funds, have shelved plans for a Fl 600m ($173m) semiconductor factory in the province of Limburg.

Inmos, which suffered a loss in the first quarter, cited the sharp decline in the integrated circuit industry as a reason for postponing expansion plans.

There has been speculation that Inmos, which was taken over by Thorn EMI last year, will be in the red for the year as a whole after it moved into the black last year for the first time in several years.

Present production capacity in Inmos's Colorado Springs and Newport, South Wales, factories is sufficient for the time being although a third facility in the long term is still possible, the company said.

The Limburg Institute for Development Finance, a provincially owned venture capital fund, first approached Inmos 2½ years ago with financial incentives to build a plant in the southern province. In recent years, the Dutch Government has sought to revitalise the Limburg economy, which was depressed by the closure of its coal mines in the 1960s.

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FRENCH POLLS POINT TO BIG WIN FOR GOVERNMENT OPPONENTS

Disputes jeopardise opposition lead

BY DAVID HOUSEGO IN PARIS

THE HOPES of French opposition parties of impressing public opinion this weekend with a display of their unity have been badly jolted by a fresh squabble among their leadership about future economic policy.

The quarrel comes at a time when public opinion polls are suggesting the parliamentary opposition will win an outright majority in the National Assembly at the elections next March—but one which could disappear if there is continuing disunity on the Right.

A computer simulation by the Sofres market research institute suggests an opposition majority of 30 seats in the next Assembly on the basis of proportional representation and the current findings of the public opinion polls. The forecast assumes, however, that the Socialists would only win 25-26 per cent of the vote. The Socialists are aiming for 30 per cent

FRANCE yesterday announced FFr 3bn (£250m) worth of fresh benefits for the unemployed, writes David Housego. Most will go to the long-term unemployed. Those out of work for more than a year have received only FFr 40 (£3.36) a day, bringing them into what has been called here a class of "new poor." As a result of yesterday's measures 115,000 long-term unemployed will receive FFr 64.50 a day from July 1.

Unemployment figures have been falling slightly over the past three months: the total at the end of April was 2.4m. The number of net jobs being shed in the economy is still growing, however.

The current account deficit, mealwhile, rose to FFr 17.7bn (£1.5bn) in the first quarter. This was mostly due to the widening of the trade deficit to FFr 10.5bn over the three months. Debt servicing payments were also unusually large.

The renewed squabling has brought M Jacques Chirac, leader of the neo-Gaullist RPR, into conflict with M Raymond Barre, the former Prime Minister, who is increasingly outspoken about his presidential ambitions.

Both are due to appear on the same public platform on Sunday along with former President Valery Giscard d'Estaing. Their joint attendance at a liberal convention will be the first time they have appeared in public together since 1981 and was intended to crown the opposition's efforts to negotiate an agreed policy in government.

On Sunday, however, M Barre described as "demagogic" the RPR's economic proposals which had been announced the day before at a special party congress. He said the opposition would lack credibility with the electorate if it implied that the economy would be flourishing in six months and unemployment checked in a year.

M Barre was attacking Gaullist proposals for Reagan-style tax cuts and deregulation of industry as a means of injecting dynamism into the economy. M Barre believes they would lead to a widening of the budget deficit.

In going so far, M Barre was giving vent to his irritation at M Chirac's speech on Saturday. Leaving no doubt that he had M Barre in mind, M Chirac said that it would be suicidal for the opposition to return to a policy of conservative deflation and austerity.

Papandreou keeps key party men in cabinet

By Andriana Ierodiaconou in Athens

GREECE'S SOCIALIST Prime Minister, Mr Andreas Papandreou, was sworn in yesterday at the head of an 18 member "service" cabinet. This mainly comprises key ministers from the previous administration holding the same portfolio, with an emphasis on personalities with a strong track record in the Socialist Party (Pasok).

The present cabinet's task will be to run the country until Parliament in July approves the merging of existing ministries into "super-ministries" and abolishing others.

Mr Papandreou continues to hold the defence portfolio. To this he has added the Ministry of Northern Greece, responsible for administrative matters in the sensitive areas of Macedonia and Thrace.

Of the other ministers, a majority are distinguished either by high positions in the Pasok hierarchy, or by a long and loyal history with the party.

Mr Yiannis Charalambopoulos remains Foreign Minister; Mr Akis Tsohatzopoulos stays as Minister to the Prime Minister and also assumes the Labour portfolio; Mr George Gennimatas keeps the Health Ministry; and Mr Costas Simitis retains the Agriculture Ministry. All four are members of the Pasok executive bureau, the party's top executive body.

A key exception to the strong party presence in the cabinet is the Economy and Finance Minister, Mr Gerassimos Arsenis, who is a technocrat rather than a party man. He also takes on the Merchant Marine portfolio. He worked for the OECD and the United Nations before becoming Governor of the Bank of Greece and then a minister.

Mr Theodore Pangalos remains Under-Secretary for EEC Affairs, a job he pursued faithfully during the Greek fight for the Integrated Mediterranean Programme. The only woman in the new cabinet is the former film star, Melina Mercouri, who has kept the job of Culture Minister.

Another minister, apart from Mr Papandreou, to hold three portfolios is Mr Evangelos Kouloumbis. He is now Minister for the Environment for Transport and for Public Works.

West Germany reduces subsidies to industry

BY PETER BRUCE IN BONN

THE WEST GERMAN Economics Ministry has signalled the start of what it claims is a determined campaign to cut public subsidies to local industry.

Following talks between Herr Martin Bangemann, Economics Minister, and Herr Gerbard Stoltenberg his counterpart in the Finance Ministry, on next year's federal budget, the Economics Ministry said it would be cutting back its subsidies by DM 1bn ($327m) in 1986.

A ministry statement said yesterday that the economics budget would be trimmed to DM 4.09bn in 1986 from DM 5.021bn this year. Shipyards and the steel, coal-mining and aerospace industries would be worst hit by the cuts, the statement said, with slightly more funds flowing into small businesses.

Aid to German shipyards will fall DM 30m to DM 200m next year, with steel producers – because of long-established European Community rulings – receiving no funds at all. German steelmakers are being paid some DM 385m by the state this year.

The German coal industry, which won promises of DM 1.54bn from the Economics Ministry this year, will have to do with DM 370m less.

Although the measures will undoubtedly be greeted with relief from the many business lobbies that have recently been criticising the Government for not keeping to its election promises to cut state aids, it is highly unlikely that they will be regarded as nearly strong enough.

The Economics Ministry is only one of the country's principal subsidising agencies, with both the Finance Ministry (which controls a host of financially crippled industrial operations) and the Agriculture Ministry at least equalling its annual payments.

Total West German subsidies are almost incalculable anyway. Estimates by the five leading West German economic institutes for 1982 ranged between DM 40bn and DM 110bn. Total subsidies have risen at a conservatively estimated rate of 7.8 per cent a year since 1970 and many economists in Bonn are sceptical about the current right-of-centre Government's capacity to slow that down significantly.

The coal industry, which under the plans outlined by the Economics Ministry will face the biggest cutback next year, is supported in other ways.

Union militants fight police at SKF plant

BY PAUL BETTS IN PARIS

AT LEAST 100 people were injured, some seriously, during clashes between French riot police and militant members of the pro-Communist CGT union yesterday in some of the worst labour violence since the Left came to power four years ago.

Not since the incidents at the Talbot car plant at Poissy 18 months ago has there been such violent labour unrest in France. As many as 65 riot policemen and 35 demonstrators were hurt in six hours of clashes at Ivry, on the outskirts of Paris. The face that this is in the parliamentary constituency of M Georges Marchais, the Communist party leader, has given the affair an additional political dimension.

The incidents were sparked off when a commando of CGT militants made a dawn raid on a ball bearing factory owned by the Swedish SKF group. The plant has been at the centre of a dispute ever since the company decided to close it about two years ago.

The CGT and the Communists opposed the decision and militants have occupied the factory, which employs 639 people, for the past 18 months until riot police were sent in to clear it last week. This led to violence last week and provoked a storm of protests from the Communist leadership and the local population.

The Communist party and CGT leadership are clearly seeking to transform the Ivry dispute into a broad attack on the Government's economic and industrial policies. In recent weeks, the Communists have toughened their attacks against the Socialists. Their opposition has steadily increased since the party withdrew from the coalition last summer.

At the same time, the party and union leaders have faced growing criticism from their rank-and-file as the communist influence continues to wane. Indeed, those leaders have failed so far to mobilise workers to put pressure on the Government which has been able to push forward a number of industrial restructurings in a relatively peaceful labour climate.

However, in the case of SKF the CGT has finally managed to launch a spectacular action with the full backing of local militants and the Ivry population.

Tear gas swirls around the legs of one of the demonstrators at the SKF plant yesterday as he aims his catapult at riot police trying to clear the factory of its union occupiers

Unemployed down by 112,000

BY RUPERT CORNWELL IN BONN

UNEMPLOYMENT currently the most explosive political issue in West Germany, fell by 112,000 last month – a smaller improvement than hoped for by the hard-pressed coalition Government of Chancellor Helmut Kohl.

According to statistics from the Federal Labour Office in Nuremberg, the number of jobless dropped to 8.8 per cent of the workforce, 2.19m compared to 9.3 per cent, or just over 2.3m in April.

But Herr Heinrich Franke, president of the office, afterwards called the latest figures "disappointing." They reflected only the normal seasonal improvement in the labour market and gave no sign that the present modest upswing in the economy was creating new jobs.

The only real comfort in the May returns was a sharp decline in the amount of short-time being worked in Germany and a modest rise in the number of notified vacancies, to 115,400. But this will be insufficient, almost certainly, to reduce the pressure on the Government for measures to produce a quick reduction in the number of jobless.

Further pointers to steady if unspectacular growth came yesterday with the latest figures for industrial orders and output. New orders jumped 3 per cent in April, and for that month and March combined stood 6.5 per cent higher in volume terms than a year earlier. As usual, foreign demand made the running, with export orders up 13 per cent, while domestic orders rose just 3 per cent.

Industrial production, on the other hand, has been virtually flat so far in 1985. Although production in March and April was 4.5 per cent more than in the same months of 1984, April alone saw a 0.5 per cent decline from the level of March.

Sweden's deficit increases

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

SWEDEN accumulated a deficit of SKr 3bn ($338m) on the current account of the balance of payments in the first three months of the year compared with a surplus of SKr 3.3bn in the corresponding period last year.

The deterioration in the country's external payments position was one of the chief factors that forced the Government to impose last month's credit squeeze and drastic increase of interest rates.

The measures were aimed at combating the crisis of confidence in the krona, halting the outflow of capital from the country, and dampening private consumption and soaring imports.

According to figures released this week by the Riksbank, the central bank, the deterioration in the current account which showed a small surplus last year was even more rapid in the first quarter than was originally feared.

In March, the current account showed a deficit of SKr 1.6bn compared with a surplus of SKr 1.5bn a year earlier.

The big jump in imports means that the trade surplus – needed to meet the heavy interest payments on Sweden's mountain of foreign debt – slumped to only SKr 1.6bn in the first three months of the year compared with a surplus of SKr 9.2bn in the corresponding period of 1984.

AMERICAN NEWS

Kaufman warns of decline in U.S. credit standards

BY WILLIAM HALL IN NEW YORK

THE REVOLUTION which is sweeping through the U.S. financial markets is lowering credit standards and chipping away at confidence in the financial system, warned Dr Henry Kaufman, Salomon Brothers' chief economist yesterday.

In a hard hitting attack on several recent developments in the U.S. financial system, Dr Kaufman told a House of Representatives energy and commerce subcommittee that the "integrity of credit" is being chipped away by the financial revolution which is "muting the responsibilities of creditors and debtors."

His remarks are the latest sign of the growing concern in the U.S. at the pace of change which is taking place in the financial markets following the removal of many regulations on banks and other financial institutions.

The dismantling of the old rules has encouraged a much more entrepreneurial spirit among the leaders of America's financial institutions and led to the development of a wide range of new products. But it has considerably increased the risks facing bankers and their customers.

Dr Kaufman cited four adverse developments in the credit markets which were cause for concern in his testimony yesterday.

● The credit market debt of households, businesses and Government is increasing at an unprecedented pace. Last year it rose by 14 per cent, double the growth of the 1960s and three percentage points above the 1970s growth. He says it is unusual for it to rise faster than the growth in Gross National Product.

● Short-term borrowing, mainly floating rate financing, is rising rapidly while long-term private sector borrowing has diminished significantly in importance.

● Credit quality of business corporations continues to deteriorate even though the economic expansion is in its third year. Mergers and acquisitions are exacerbating this

● The equity base of many financing institutions is exceedingly thin. Institutional asset quality also is declining. In many instances market value of institutional assets is below cost, leaving liquidation value of institutional capital in serious need of repair.

Dr Kaufman warned the committee that "we are drifting toward a financial system in which credit has no guardian." While deposit insurance had been an important element in restoring confidence after the bank collapses of the 1930s it "served to remove the disciplining link" between the borrower and depositor.

Reagan launches scathing attack against Nicaraguan leadership

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan yesterday launched a scathing new attack on the Sandinista leadership of Nicaragua as Congress prepared to consider revised plans for U.S. aid to the anti-government Contra rebels.

Both the Administration and Republican congressional leaders expressed optimism that a package of non-lethal or "humanitarian" aid for the Contras could be approved in the coming days—reversing Mr Reagan's stinging defeat on the issue in the House six weeks ago.

Mr Robert Dole, the Senate Republican majority leader, said that he had the votes to pass a bipartisan \$32m (£25.4m) two-year package in the Senate, while Mr Robert Michel, the House minority leader, was equally confident over the prospects for a \$27m plan in the House. Sharp differencies remained, however, as to whether the funds should be administered by the Central Intelligence Agency.

On a swing through Oklahoma to promote his tax reform proposals, Mr Reagan said that Congress could no longer "ignore the obvious." The Soviet bloc nations and their terrorist allies, Libya and Iran, were pouring weapons and ammunition "to establish a beachhead on our own doorstep," he said.

Referring to Sr Daniel Ortega, the Nicaraguan President, Mr Reagan said: "The little dictator who went to Moscow in his green fatigues to receive a bear hug did not forsake the doctrine of Lenin when he returned to the west and reappearred in a two-piece suit. He made his choice long ago. History will not wait on us."

Mr Reagan's remarks came a day after the White House had condemned Nicaragua for what it called "increased aggressive behaviour" against neighbouring Honduras and Costa Rica, and called on the Sandinista Government "to halt immediately any further military operations against its neighbours."

Tim Coone in Managua writes: A Nicaraguan army offensive along the San Juan river in the south of the country has overrun a number of base camps of the U.S.-backed guerrilla organisation ARDE, cut its supply lines and forced the bulk of its forces over the border into Costa Rica.

According to Commander Humberto Ortega, Nicaragua's Defence Minister, the operation is aimed at eliminating the guerrilla presence in the south of the country and at re-establishing civilian boat traffic along the San Juan river which has been suspended since 1982 because of the guerrilla war.

Over 70 guerrillas, or contras, have been killed, three of their principal bases overrun and air strikes are being mounted upon other guerrilla concentrations and airstrips operated by the contras.

The army has also cut an important supply route through the jungle which was used to maintain guerrilla units deeper inside the country operating in the region of Nueva Guinea.

Reports fom Costa Rica say that the ARDE guerrilla organisation is now in bad shape, and that its commander, Sr Eden Pastora, has left Costa Rica on an urgent trip abroad to raise funds for arms

Senate rejects cuts in SDI cash

By Reginald Dale, U.S. Editor, in Washington

THE REPUBLICAN-LED U.S. senate yesterday brushed aside a series of Democratic attempts to slash funding for President Ronald Reagan's Strategic Defence Initiative, known as the Star Wars space defence programme, upholding the sum of \$2.97bn (£2.36bn) for the coming 1986 fiscal year proposed by its armed services committee.

The Senate leadership easily defeated four Democratic amendments that would variously hve cut funding by \$1bn, frozen spending at the current year's level of \$1.4bn, or compromised nearer the \$2.97bn figure. The committee's proposal already represents a reduction of over \$700 from the \$3.7bn that Mr Reagan originally requested.

The programme is likely to be treated less kindly, however, by the Democrat-led House, which is due to vote later this month. The House armed services committee has cut Mr Reagan's request to \$2.5bn, move which Mr Casper Weinberger, the Defence Secretary, has attacked as tantamount to collaborating with the Soviet Union in its to torpedo the programme.

Amendments are expected on the House floor both to cut the \$2.5bn still further, and to raise it back to something nearer Mr Reagan's request.

U.S. car sales up 2.6% in May

By William Hall in New York

U.S. CAR sales rose 2.6 per cent to 1.07m in May but over four-fifths of the increase was accounted for by higher imports, principally from Japan.

The sales of domestically produced cars rose 0.5 per cent to 807,590 in May while imports rose 9.9 per cent to 263,787 units. Imports accounted for 24.8 per cent of the market compared to 23.1 per cent a year ago. Japanese exporters boosted their share of the market from 14.8 per cent in April to 19.2 per cent in May.

The May import figures translate into an annual rate of 2.8m cars, substantially up on the annual rates of 2.2m and 2.4m in March and April.

Hugh O'Shaughnessy in Lima reviews the problems facing Peru's

Garcia promises energetic reform

"THE FIRST thing we're going to do is to get our relations with the International Monetary Fund on an honest basis. We are fed up with Peru and the fund promising each other things they can't deliver."

Sr Gustavo Soberbein is one of the group of young economists advising the 36-year-old Sr Alan Garcia, who was declared President-elect of Peru last Saturday. Sr Soberbein was putting a gloss on Garcia's decision to put Peru's financial house in order before resuming direct and formal negotiations with the IMF. Sr Garcia takes up the presidency on July 28.

"Anyone who looks at the future understands that Peru simply cannot pay its debts as they presently stand. No country can pay out 80 per cent of what it earns in exports on servicing a debt of \$14bn," Sr Soberbein says.

Sr Garcia: putting Peru's house in order

According to central bank compilation, if Peru continues to devote no more than the present \$25m a month to debt servicing it will be \$1.4bn in arrears with its creditors by the year end.

Whatever the chances of eventually coming to mutually acceptable terms with Peru's creditors, Sr Garcia's team gives the impression of brimming with new energy to tackle Peru's financial problems.

They contrast sharply with the stagnant, do-nothing image that the encumbent Government of President Fernando Belaunde has acquired in the closing stages of his five-year term.

"The only ministries that Belaunde was interested in were communications and housing," says one Garcia adviser criticising the President's passion for constructing roads and public buildings. Sr Garcia is certain to take a broader and more radical view

The Garcia team says it is willing to go a long way to meet the Fund's criticism of past government policy even if they are not in direct negotiation with the Fund.

The state corporations such as Electro Peru and Petro Peru, the power and oil games which account for the largest fraction of sector deficit, will be shaken up as the Government aims to reduce public sector deficits from 10 per cent of gross national product to 6 per cent over two years.

"Many public sector tariffs are ridiculous," says Sr Victor Lopez, one of Sr Garcia's economic team. "It has been tabulated, for instance, that a poor family in Lima pays 20 times as much for its water as a rich family living in one of the smart districts of the capital."

Sr Garcia's advisers are also expected to cut military expenditure. One of the major foreign policy issues in the next few months will be the launching of a plan to persuade South American governments to limit military spending to 5 per cent of the GNP, an idea which should also go down well with Peru's creditors.

"One of our difficulties is that Chile and Ecuador are both devoting 7 or 8 per cent of their GNP to military spending," commented a presidential adviser.

The Garcia Government, however, will be unwilling to impose a full stop on Peru's growth prospects or put an end to the public sector deficit from one month to another, or reduce tariff protection completely for industries which are already at or over the brink of bankruptcy, as it says the IMF demands.

To do so would create a dislocation and social unrest, the Garcia team claims. The average income of Peruvians has already dropped by 13.3 per cent since 1981 with the poorest suffering the most.

"We already have a problem with the left-wing Sendero Luminoso guerrilas, which means we have 15,000 troops in the field trying to control them. Does the Fund want to have us put 30,000 troops in action against a growing guerrilla movement?", asks Sr Soberbein.

Peru also has to face an increasing challenge of inflation: the cost of living rose 10.9 per cent in May and the recent measure to mint the inticoin, a new currency unit representing 1,000 of the old soles, is already being eroded.

One of the biggest challenges to be faced by Sr Garcia is the control of Peru's largest single export. Coca paste, the raw material for cocaine, is produced in vast quantities from an estimated 60,000 hectares (148,000 acres) sown with coca bushes throughout the country in the valley of the Huallaga river.

Peru's legitimate exports total some \$3bn a year, but exports of coca paste are worth perhaps as much as \$2bn of which \$300m-\$400m stays in Peru while the rest is banked abroad. The economic power this trade gives the traffickers is undermining the fundamentals of Peruvian society and corrupting police, the armed forces and Government.

As Peru wrestles with its problems of recession, inflation, debt and guerrilla terrorism, Sr Garcia will adopt a more active high-profile foreign policy, starting with a visit to the Pope and political leaders in Western Europe before he takes over the presidency at the end of next month.

He will be presenting his Government as perhaps the last chance for parliamentary democracy in Peru. In April's general elections the parties of the United Left received more than 21 per cent of the vote against the 46 per cent received by his own Apra Party.

It was evident that Peru's bargaining for better repaying terms has not gone unheeded when last month the U.S. Ambassador, Mr David Jordan, came down publicly in favour of a rate-capping system for the interest rates Peru pays on its foreign debt and an increased compensatory financing facility for Peru with the IMF.

Unions to fight Canada's free trade moves

BY BERNARD SIMON IN TORONTO

CANADA'S LABOUR movement is preparing to mount an offensive against government moves to liberalise trade with the U.S., by far Canada's largest trading partner.

Mr Bob White, the director of the United Auto Workers Union of Canada, said on Tuesday that behind-the-scenes consultations presently being held by the Federal Government on U.S.-Canada free trade, have stifled public discussion of the issue. "What worries me is that this thing is sliding very quickly," Mr White said.

Labour leaders will discuss tactics to publicise anti-free trade views at a meeting in Ottawa later this month.

The Government is expected to outline its proposals for trade negotiations with the U.S. later this year. Two-way trade totalled C\$151bn (£88bn) in 1984. The Canadian business community generally supports moves to lower trade barriers between the two countries.

Canadian trade unionists fear that trade liberalisation will prompt many U.S. companies to supply Canada from plants in the U.S., shrinking or closing down their Canadian operations. Mr White also argued that Canadian exporters already have all the access they need to the U.S. market when demand is strong, and that a free trade agreement would crumble under U.S. protectionist pressures at times of excess American capacity. He pointed to current moves in the U.S. to restrict lumber imports from Canada.

Opponents of trade liberalisation are likely to get a major boost from the imminent change of government in the province of Ontario, Canada's industrial heartland. The Liberal Party, supported by the left-leaning New Democratic Party (NDP), is expected to take office in the province within the next two weeks.

The NDP, whose support comes mainly from blue-collar workers, has deep reservations about opening up Canadian markets to U.S. manufacturers.

OVERSEAS NEWS

U.S. Congress close to adopting sanctions against S. Africa

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE U.S. Congress has moved significantly closer to imposing economic sanctions on South Africa, with the adoption of a series of anti-apartheid measures by the Senate Foreign Relations Committee. The committee's action, which included a ban on all U.S. bank loans to the South African Government, was the strongest so far approved in the Republican-controlled Senate and a major rebuff for President Ronald Reagan's policy of "constructive engagement" with Pretoria.

The 16 to 1 committee vote in favour of sanctions suggested that the legislation has a good chance of passing the full Senate in the days ahead. It come as the Democrat-led House of Representatives continued work on its own, even tougher measures, with a view to adopting a final sanctions package later last night.

As well as banning bank loans, the Senate version would prohibit computer sales to the South African security services or other agencies involved in enforcing racial segregation, end the sale of U.S. nuclear technology and equipment to South Africa and oblige U.S. companies operating there to provide equal housing and working conditions for blacks and whites under the so-called Sullivan principles.

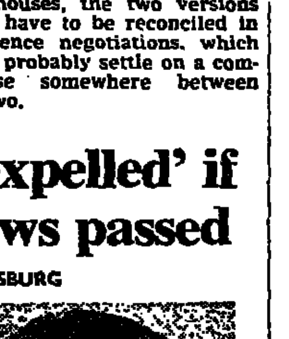
The House legislation would, in addition, immediately ban further investment in South Africa by U.S. companies and end imports into the U.S. of South African gold Krugerrand coins. The draft Senate Bill would add those measures after 18 months, if "significant progress has not been made toward ending the policy of apartheid."

Once legislation is passed by both houses, the two versions would have to be reconciled in conference negotiations, which would probably settle on a compromise somewhere between the two.

'Blacks will be expelled' if disinvestment laws passed

BY ANTHONY ROBINSON IN JOHANNESBURG

THE expulsion from South Africa of the million or so illegal black immigrants from neighbouring independent states was one of the options open to South Africa if the U.S. Congress passed disinvestment legislation, Mr Louis Nel, the Deputy Minister of Foreign Affairs, told a party meeting in the small Eastern Cape town of Beaufort.



Mr Nel: the regional power in Southern Africa

He added that America must realise that if it went ahead with disinvestment South Africa would have to take steps to protect itself in a way that would make people realise that South Africa was the regional power in Southern Africa.

The presence of illegal black workers in South Africa is often cited by South African diplomats as proof that its apartheid laws are not so harsh as to prevent South Africa being seen as a source of income and opportunity for foreign blacks and further evidence of the dependence of other Southern African economies on continuing South African prosperity.

● The report of the Kannemeyer Commission set up after the shooting of 19 blacks by police at Langa near Uitenhage on the 25th anniversary of the Sharpeville massacre was handed over to Mr Kobie Coetsee, the Minister of Justice, yesterday.

Israelis to stay in Lebanon to beef up SLA

By David Lennon in Tel Aviv

ISRAELI troops are still in Lebanon today, the third anniversary of the 1982 invasion of Lebanon, despite promises by the Prime Minister that the withdrawal from Lebanon would be completed by June 6.

Israel began evacuating its forces from Lebanon in February, giving up large chunks of Lebanese territory, in two major pull-backs. But contrary to earlier undertakings it has now decided to leave a "limited number of troops in southern Lebanon for a short period," according to military officials in Tel Aviv.

The bulk of Israel's forces have been withdrawn from the border area but a few hundred soldiers and their equipment are remaining behind to try to beef up the Israeli-backed South Lebanese Army (SLA) which Israel wants to take over policing of the border area.

The continuing military presence in southern Lebanon, including six division observation posts as well as mobile units, has created considerable domestic concern that this could result in further Israeli casualties, notwithstanding official announcements that the withdrawals have been completed.

It may also cause problems with Egypt, which has predicted major improvement in relations and the return of the ambassador to Tel Aviv on a complete Israel withdrawal from Lebanon.

Israel has proclaimed that it regards Lebanese territory up to 15 km deep, north of the border, as a security buffer zone. It wants to make the South Lebanon Militia a surrogate force, to police this strip against Palestinian guerrilla infiltration.

However, it is generally acknowledged even by the Israeli military that this mainly christian militia which is armed, trained and paid by Israel, is of dubious military ability without Israeli troops to back it up.

"We are leaving some soldiers in southern Lebanon to see how things develop there after the bulk of our forces is removed," the military official said.

If the area remains quiet then Israel may complete the evacuation in a few weeks.

Alain Cass, Asia Editor, examines the problems posed by Pakistan's nuclear programme

U.S. faces dilemma over its ties with Asia

THE PERSISTENT but vehemently denied accusations that Pakistan is well on the way to acquiring nuclear weapons is proving a serious embarrassment to U.S. attempts to improve relations with Asia's two major powers, China and India.

There are two aspects to America's dilemma. The first is the suspicion that China has, wittingly or otherwise, assisted Pakistan in its covert efforts to acquire nuclear weapons. That has seriously delayed U.S. efforts to push ahead with its attempts to involve China in closer relations, including the sensitive Nuclear Co-operation Agreement.

The second is the increasing concern felt in India at Pakistan's efforts and the growing threat that New Delhi would retaliate in the event Islamabad acquired nuclear wepons.

India detonated a nuclear device in 1974, but successive Indian Prime Ministers have stated that their country would not develop a weapons system—a claim widely taken at face value.

The latest accusation, that Pakistan is on the verge of acquiring or may have already acquired nuclear weapons came this week from Mr Rajiv Gandhi, the Indian Prime Minister.

Mr Gandhi, in remarks clearly timed to coincide with his visit to the U.S. later this month, also declared that India no longer excluded the possibility of acquiring a nuclear weapons capability.

It seems probable that India has merely embarked on a strategy of ambiguity aimed at deterring Pakistan from pursuing its plans, but this is the first time that the nuclear option has been openly discussed in New Delhi at this level.

Active consideration of India's nuclear options would transform the security situation on the subcontinent and place considerable pressure on President Ronald Reagan and the U.S. Administration to curb Pakistan's activities, especially since Washington wants to imrpove relations with India. The subject is bound to be the most important topic of discussion between President Reagan and Mr Gandhi during the Indian leader's visit.

At the same time, the subject of the Pakistan bombs makes it more difficult forthe Administration to pursue its policy of selling sophisticated equipment to the Chinese. The suspicion that China has helped Pakistan develop a weapons capability is at the heart of congressional doubts over the Sino-U.S. nuclear deal.

It now seems unlikely, though not impossible, that the Nuclear Co-operation Agreement, initialled by President Reagan in Peking last December, will be ready for signing when Li Xiannian the Chinese President visits the U.S. in July.

This was hinted at by Han Xu, the new Ambassador to Washington, who said earlier this week that the Chinese were now "not so anxious" to have the agreement. Ambassador

> Persistent accusations that Pakistan has obtained nuclear weapons—renewed this week by Indian Prime Minister Rajiv Gandhi—and the suspicion that China has assisted in this, are proving an embarrassment to Washington's attempts to improve relations with Peking and New Delhi

Han, like countless other Chinese officials, insisted that China has given a firm commitment not to proliferate nuclear arms to third countries. But China, it seems, is unwilling to give assurances to that effect that would, as one U.S. official said, "pass muster" in Congress.

Even if the Nuclear Co-operation Agreement is tied up in time for President Li's summer visit, the Administration is faced with a real dilemma in deciding how far to push the frontiers of its relationship with China.

Both China and the U.S. now accept that the idea of a "strategic relationship"—one in which, by implication, Peking and Washington are aligned to Moscow—is not really viable.

The prospect of a steady expansion in trade and personal exchanges between China and the Soviet Union over the next few years, even without significant political progress, is likely to further complicate the development of Sino - U.S. relations.

President Reagan will have to pick his way with even greater care through the various options available to him. He faces an early test of how to proceed over the next few months, when he must decide what weapons the U.S. will sell to China.

Last year, five Chinese military delegations visited the U.S.; in January, General John Vessey, chairman of the U.S. Joint Chiefs of Staff, went to Peking armed with cost estimates for the Chinese to consider.

Among the items being considered are F-8 fighter bomber aircraft engines, Mark 46 surface-launched anti-submarine torpedoes, the Phalanx anti-missile gun, the General Electric LM 2500 gas turbine engine used to power destroyer-sized ships, and the anti-tank TOW missue.

Asian countries, such as Taiwan and the Malay-dominated states of South-east Asia who regard China as a potential threat to the region, are arguing against U.S. arms sales to the People's Republic. They are backed up by right-wingers in Washington, some of them within the Administration, who believe that the proposed arms package would have little impact on China's defensive capacity to face up to the Soviet Union. It would, however, significantly strengthen its potential threat to non-Communist states in South-east Asia as well as Taiwan.

The momentum of Sino-U.S. relations will be hard to stop. In 1984, two-way trade between the two countries rose 37 per cent over the previous year to a record \$6.1bn (£5bn). Approval was given last year for \$2bn worth of advanced U.S. technology sales to China.

It also seems likely that, under Mr Gandhi, India and the U.S. will develop a more open and pragramtic relationship, something which both sides want.

However, Pakistan's efforts, real or imagined, to acquire nuclear weapons, is something which President Reagan will have to come to grips with if the U.S. is to make the best of both these opportunities.

Shamir rules out PLO at talks

BY ROGER MATTHEWS

MR YITZHAK SHAMIR, Israel's Foreign Minister, repeated yesterday that his Government would never negotiate with members of the Palestine Liberation Organisation or the Palestine National Council, the parliament in exile.

His comments in London underline the difficulties faced by King Hussein of Jordan in pressing ahead with his plan for a joint Jordanian-Palestinian delegation to discuss the future of the Israel-occupied West Bank and Gaza Strip.

Mr Shamir had been told on Tuesday by Mrs Margaret Thatcher that the British Government supported King Hussein's initiative. However, Mr Shamir said that it was normal for close friends to have some difference of views and claimed that Mrs Thatcher backed Israel's opposition to the Jordanian plan for an international Middle East peace conference.

The Foreign Minister added that it was "inconceivable" for the PLO ever to recognise Israel's right to exist because by so doing "they would have to dissolve themselves."

Israel admitted that there were risks for King Hussein in a peace process but the only way to make progress would be for direct talks between the two countries.

King Hussein is in London this week and will be seeing Mrs Thatcher tomorrow. He has ruled out bilateral talks with Israel.

● U.S. Assistant Secretary of State, Mr Richard Murphy, will visit Jordan early next month for possible talks with a joint Jordanian-Palistinian team on Middle East peace, Jordan's Information Minister said yesterday, Reuter reports from Amman.

"It had been suggested that the first stage of the talks for an exchange of views between a Palestinian-Jordanian delegation and the Americans might take place here. It is just an expectation by both sides (Jordan and the U.S.)," Mr Mohammed al-Khatib, the Information Minister said.

Mr Khatib was commenting on an unsourced report in the government newspaper Sawt al-Shaab, which also said the PLO would nominate three-non-PLO members for the talks with Mr Murphy.

Saudi oil output may be raised

SAUDI ARABIA may raise its oil output in the foreseeable future if other Opec members fail to stick to agreed production quotas, Mr Tam David-West, the Nigerian Oil Minister said in an interview published yesterday, Reuter reports from Jeddah.

"If other Opec countries are not respecting the rules on pricing and production, Saudi Arabia will also decide to produce its own quota and let the market forces decide the price," Mr David-West told the English-language Saudi Gazette newspaper.

Saudi Arabia told a ministerial meeting of the Organisation of Petroleum Exporting Countries in the Saudi resort of Taif on Monday that it was no longer prepared to compensate for overproduction by other Opec members, Mr David-West said.

Manila seeks Japanese aid

THE Philippines is seeking \$400m worth of new credits from Japan to finance 18 agricultural development projects, President Ferdinand Marcos said yesterday, AP-DJ reports from Manila.

Mr Marcos said Japan so far had extended \$1.7bn in loans to the Philippines, making it the country's "biggest source of concessional bilateral credit."

The new credits being sought would be part of a yen credit package from Japan's Overseas Economic Cooperation Fund, he said.

India minister

The profile of Mr Vishwanath Pratap Singh, India's Minister for Finance and Commerce (India Survey, June 3) was wrongly accompanied by a pictures of Dr M. Singh, deputy chairman of the Planning Commission.

EEC welcomes U.S. concession on steel pipes

BY IVO DAWNAY IN BRUSSELS

EEC member states yesterday gave a broad welcome to a concession from the U.S. allowing above-quota sales of special steel pipes to the All American Pipeline company for its Texas to California project.

The positive reception to the U.S. gesture, made by Mr Malcolm Baldrige, Commerce Secretary, last weekend, means the Community has also agreed to open talks within a few days with the Amerians on other outstanding steel issuse of concern to Washington.

Mr Baldrige's offer was conditional on the EEC agreeing to conclude revision to the 1982 carbon steel agreement by October, and to open and finish consultations on several products from a 17-strong list of special steels by uly 15.

Permanent representatives of the Ten agreed to these terms at a meeting in Brussels yesterday. But formal approval will have to wait until tomorrow when agreement should pass through written procedures at the European Council.

When this process is completed, it is understood that Washington will lift its block on the importation of 100,000 tonnes of special tubes for the All American Pipeline company which U.S. manufacturers have been unable to supply.

Agreement to new talks on the so-called "consultation products" will raise hopes among U.S. producers that the Community's growing share of the American market may now be contained.

Under existing arrangements these are allowed unrestricted access to the U.S. However sales from the EEC have increased to as much as three times their 1982 levels and the American industry is anxious to see restraints enforced.

The products most likely to face import restrictions are tin-free steel, black plate and alloy wire rods. When the discussions are concluded in the middle of July, the Community will have to decide whether to accept an agreement on limiting sales which would at least guarantee a share of the U.S. market, or to fail to agree leaving open the option of retaliatory action through the General Agreement on Tariffs and Trade.

Shipbuilding suffers further decline

By Andrew Fisher, Shipping Correspondent

WORLD shipbuilding orders continued their decline in the first quarter of this year, with both Japan and South Korea—the industry leaders—suffering large falls in new work.

Latest figures from Lloyd's Register of Shipping showed an order backlog of 29.5m gross tons at the end of March 1985, against 30.7m at the end of December 1984, and 31.4m the previous March. Just over 90 per cent of orders are scheduled for delivery by the end of 1986.

Japanese yards saw their order total fall by 1.5m tons during the three months to 11.6m, while that of South Korea went down by 349,000 tons to 5.4m. Brazil, which has just won a much-needed domestic tanker order, Spain and the U.S. also suffered sharp declines.

The world shipbuilding order total has hovered around the 30m-ton mark for the past seven years, ever since the early 1970s oil crisis sent business crashing from the 133m-ton peak reached in March 1974. In the 1980s, the highest order level has been the 37.5m tons recorded in June 1981.

Trade hopes recover from the spy scandal, writes **John Elliott**

India's affair with France resumes

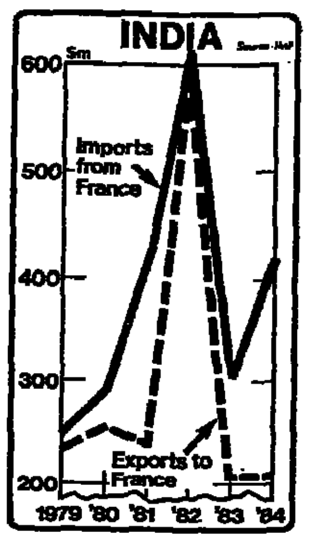
FOUR MONTHS after withdrawing its Ambassador and a defence attache from New Delhi for alleged involvement in India's recent spy scandal, France today becomes the first Western country to receive Mr Rajiv Gandhi on an official visit since he became Prime Minister of India last November.

France has backed up this impressive diplomatic recovery by emerging as the front runner for a defence order worth up to £500m for a 155 millimetre Howitzer gun, against competition from the UK, Sweden, Austria and the U.S.

It is also trying to win contracts for airliners, helicopters and a power station which were last year being finalised with other countries, and is trying to avoid losing a £42m telephone switchgear project which its CIT-Alcatel telecommunications company last year thought it had won.

France has been playing an increasingly large role in India's development in the past few years. It now wants to use Mr Gandhi's five-day visit to cement relationships in the wake of the spy episode and to persuade him to buy more high-technology goods.

Mr Gandhi started a two-week foreign tour yesterday with a one-day visit to Egypt. In France and in the U.S., where he spends five days next week, he will be opening festivals of India similar to the cultural and other events staged in Britain in 1982. He is expected to visit the UK briefly during a second tour in October.



President Francois Mitterrand of France successfully developed a close rapport with the late Mrs Indira Gandhi, the former Prime Minister. India admires France's independent foreign policy and far prefers its stance on issues such as world bank aid, the north-south dialogue, and GATT to those adopted by the U.S. and Britain.

This background of mutual understanding, backed up by French diplomatic aplomb and aggressive commercial salesmanship, has helped France to recover from the spy scandal, which allegedly involved the sale of secret government documents on commercial and defence projects to Russia (which Mr Gandhi visited last month) and other East European countries as well as France.

There may be few official announcements on projects while Mr Gandhi is in France, although a new agreement on scientific and cultural co-operation will probably be signed.

But Mr Gandhi may well tell the French Government, that it is on a short list of two with either Austria or Sweden to supply the Howitzer gun.

France is about to start supplying 40 Mirage jet fighters and is bidding for part of a light combat aircraft development project and for other electronic defence equipment. Its Aerospatiale company is in the running for a £65m-£85m helicopter order recently lost by Westland of the UK and is trying, probably unsuccessfully, to oust Boeing of the U.S. from a $400m-$500m (£314.9m-£393.7m) Indian Airlines order.

The French Alsthom company is a front runner with John Brown of the UK for two gas turbine power station projects worth £65m and is rivalling Austria for a $700m hydro-electric power station project called Dul Hasti.

In the electronics area a French company, Sagem, is producing a new Indian telex machine. Bull is believed to be beating Control Data Corporation of the U.S. for a major public sector contract to odevelop an Indian main frame computer. France has also just signed an agreement with India for coal mining equipment and it has been bidding for a share of the work on a large cross-country natural gas pipeline

Mr Gandhi's fascination for high technology will be met with a trip on France's high-speed train and a visit to a nuclear power station. France will offer technological and organisational help on a massive project personally launched by Mr Gandhi—the cleaning of India's sacred, but badly-polluted, River Ganges.

,India sometimes finds that French technolog yis more expensive and less advanced than at first is apparent: factors which might cost CIT-Tlcatel its new telephone factory contract.

There is no risk of supplies or spares being held back, however, as happens with U.S. contracts, nor are there limits on the sort of defence equipment that is available. So India values France as a friendly and reliable source of defence and other high technology, despite its alleged spying.

Rockwell in link-up with French group

By David Marsh in Paris

A FRANCO-U.S. tie-up in rocket technology for possible civil or military space applications has been agreed between Societe Europeene de Propulsion, manufacturer of the engines for the Ariane rocket, and Rockwell, the American aerospace company.

The accord, announced at the Paris Air Show yesterday, centres on technology exchanges covering liquid rocket engines. SEP, which makes the solid-fuel engines for France's nuclear-tipped ballistic missiles, will be beaming up with Rocketdyne, the Rockwell division which makes the main engines for the U.S. space shuttle, to examine future projects flowing from the U.S. and European space programmes.

SEP will be bringing to the agreement specific expertise in composite carbon and ceramic materials that it has developed for French military programmes, as well as a revolutionary non friction bearing, designed and produced by its specialist subsidiary Societie Mecanique de Magnetique.

SEP is assured of a big increase in its future work-load as a result ofthe European programme to build a heavy duty Ariane 5 rocket for the 1990s.

Community threatens to revive suit against Japan

BY JUREK MARTIN IN TOKYO

THE European Community has told Japan that failure to resolve certain bilateral trading problems could lead to the revival of the EEC's suspended suit against Japan under Article 23 of the General Agreement on Tariffs and Trade (Gatt).

The EEC had complained that Japan's trading practices had led to a structural and persistent trade surplus with the Community.

Mr Leslie Fielding, the director general for external affairs, last night described talks in Tokyo this week, the latest in a twice-yearly round, as "the frankest exchange of views in which I have ever taken part" in nearly eight years of negotiating with Japan.

He said he had reminded Japan that the Gatt suit was "in the refrigerator *not* in the freezer." He *was* making "no veiled threats," nor did he hold Japan "uniquely responsible" for current trade problems. "But the EEC expects Japan to make a significant contribution to the handling of this awkward trade situation and to help sustain economic growth in the West."

The EEC complaint, according to Mr Fielding, was the failure to make anything other than "very limited" and "inadequate" progress in the bilateral trade expansion committee.

He said he had pointed out that this body, designed to help solve the *least* intractable trade problems, had been set up last year at Japan's request and that the EEC had agreed to participate in it "as an alternative to continuing with the Article 23 Gatt action."

But Japan had made only "moderately useful" offers on just two subjects, one is wine bottle labels). "If this is the speed at which very detailed trade problems can be settled, then the outlook for the three-year action programme is not very encouraging."

Japan is committed, under the promises it made on April 9, to produce by next month such an action programme to increase imports. Sources in the EEC delegation here suggested that if next month's measures do not satisfy expectations then the whole future of the trade expansion committee would be in doubt.

GM plans Japanese joint venture

By Carla Rapoport in Tokyo

NHK SPRING, one of the world's leading suspension systems manufacturers, and General Motors, of the U.S., are planning to set up a joint venture in Japan to make lightweight automotive suspension systems for GM cars.

The two companies have also reached a basic agreement to form car part joint ventures in the U.S. and Europe.

GM refused to comment yesterday but NHK Spring told reporters that the Japanese joint venture will be 55 per cent owned by NHK and 45 per cent by GM and will begin manufacturing next year.

GM recently revised its traditional policy of relying on in-house production for its car parts

The Japanese joint venture will begin by producing suspension systems made of fibre reinforced plastics (FRP). NHK Springs claims these are about 50 per cent lighter than traditional suspension systems. In future the venture may produce car seats and other components.

NHK Springs, one of the few independent manufacturers of suspension systems in Japan, had sales last year of Y91bn (£287m) and pre-tax profits of Y4bn.

Canadians confident on N-plant deal

By Bernard Simon in Toronto

ATOMIC ENERGY of Canada and NEI Parsons of Britain are confident of winning a long-contested C$1.2bn (£682m) contract to build a nuclear power station in Turkey.

Mr James Donnelly, Atomic Energy president, said that a Canadian government decision on financing is the only remaining barrier to the sale which would be the first order for a Candu heavy-water reactor since 1981. "We're down to the very short strokes," he said.

NEI Parsons will supply conventional turbine generating equipment for the project.

Mr Donnelly said that "substantial agreement" has been reached on Turkish government proposals that the contractor should operate the plant and take an equity interest.

The Atomic Energy consortium has agreed to acquire a 60 per cent shareholding, recovering its investment through electricity sales. The remaining 40 per cent would be owned by the Turkish Electricity Authority.

The Turkish Government signed letters of intent over a year ago with the Canadian consortium and Kraftwerk Union, of West Germany, but the West Germans have apparently baulked at becoming part-owners of the power station.

FN Moteurs backed for jet engine project

FN MOTEURS, a division of the Belgian arms, aeronautics and sports goods group Fabrique Nationale Herstal (FN), has received financial backing to enable it to participate in a jet engine programme led by the U.S. aeronautics company Pratt and Whitney, AP-DJ reports.

The programme involves the development and manufacture of PW4000 engines which will be used in long-haul aircraft such as Boeing 747s and Airbus A310s. Pratt and Whitney is part of United Technologies.

FN Moteurs has an agreement in principle with Pratt and Whitney to undertake 3 per cent of the work. But the FN division needed backing to be able to participate in the programme.

The funds are being provided by Technofinbn which has been formed by public and private bodies in Belgium, including the country's largest financial holding company Societe Generale de Belgique. Technofin's equity totals BFr 1.3bn (£16.8m), of which two-thirds is in the form of a subordinated loan. In addition, Belgium's largest bank, Societe Generale de Banque, has made a long-term loan to Technofin amounting to $30m.

UK NEWS

Japanese risk trade backlash, says Tebbit

BY KEVIN BROWN

JAPAN FACES the prospect of a protectionist backlash unless it takes rapid action to end unfair trading practices, Mr Norman Tebbit, the Trade and Industry Secretary, said yesterday in the House of Commons.

Mr Tebbit made clear that the Government was still concerned about Japanese tactics in securing a £550m Turkish contract to build a second bridge across the Bosporus.

The contract went to a consortium including Mitsubishi Industries and Nippon Kokkan of Japan, despite a competitive bid by a consortium led by Trafalgar House, the British shipping and construction group.

The Trafalgar House bid was thought to have a good chance of landing the contract, but was put out of the running by the favourable credit terms offered by the Japanese. Mr Tebbit told MPs that the Japanese did not appear to have broken any undertakings or agreements in pursuing the contract.

But he added: "The point about the Bosporus bridge contract, which I have sought to make both here and in discussions with Japanese authorities, is that their dumping of cheap credit in order to obtain this contract is incompatible with the assurances and the policies announced by Mr Nakasone, the Japanese Prime Minister, in which the Japanese are seeking to limit their trade surplus.

"This is a matter which is being taken up most forcibly with the Japanese authorities and it is a matter to which, unless they pay attention before very long, other countries will take protectionist measures against them. I hope they will draw back from the position they are in before it is too late."

MPs on both sides of the House were critical of Japanese trading tactics, and of the response by the British Government.

Mr Bryan Gould, a Labour trade spokesman, said the Japanese were pursuing "predatory" trade policies. "British companies seeking major contracts abroad should not be left defenceless against the Japanese and other foreign competitors," he said.

FIFTH TERMINAL AT HEATHROW RULED OUT FOR TIME BEING

Airport policy laid down for rest of century

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

STANSTED airport in Essex, north-east of London, is to be developed from its present capacity of about 2m passengers a year to a total of 15m a year, but in a phased manner. The first phase will carry development to between 7m and 8m passengers a year.

That is one of the main decisions emerging from the Government's long-awaited White Paper (policy statement) on airports, issued yesterday.

It also rejects – for the time being – plans for any fifth terminal at Heathrow, London. But the possibility of that will be kept under review.

The White Paper also contains these decisions:

1. No second runway at Gatwick airport, south of London. Proposals for a "commuter runway" will not be pursued.

2. Luton borough council, north of London, will be asked to make proposals to increase its airport's capacity to 5m passengers a year from the present 3m.

3. Manchester airport will be developed as a major regional hub airport, with the possibility of many new direct UK-U.S. services using it.

4. Other regional airports are given little encouragement in the White Paper. The Government says only that it will be ready to approve capital outlays for expansion and improvements when financially justified.

5. Privatisation of the British Airports Authority (BAA) is to go ahead as a single entity, but with each airport run as a separate company under a single holding company.

6. For other, local authority-owned airports, the Government wants to see as many as possible being transferred to private sector companies.

7. For business aircraft, Farnborough, Hampshire, will be developed by the Ministry of Defence to provide additional capacity. Access to RAF Northolt, north-west London will be facilitated.

8. The London Stolport for short take-off aircraft in London Docklands is to go ahead. It is hoped to find an alternative site for the Trigg Lane City Heliport on the Thames.

9. Scottish Highlands and Islands' airports owned and run by the Civil Aviation Authority will be formed into a separate single company.

10. Prestwick, south-west of Glasgow, stays as Scotland's international long-haul airport. The complementary roles of the other Scottish airports will be retained.

The decisions, in the Government's view, amount to a coherent policy for the future development of UK airports, in the light of anticipated traffic demand through to the end of this century.

For the London area, terminal passengers by the year 2000 are expected to reach about 90m, compared with the current total of nearly 50m.

Commenting on the decision to go ahead with Stansted, the White Paper says that the Government agrees with the conclusions by Mr Graham Eyre, the inspector at the public inquiry into Stansted, that it represented the best possible option for future airports serving London.

Accordingly, it has granted outline planning permission for that development to 15m passengers a year.

After the first phase, which will take Stansted to between 7m and 8m passengers a year, the timing and capacity of the further phases of development will depend on the rate of traffic growth.

The BAA estimates the total cost involved at some £400m at mid-1981 prices, although the cost of the first phase will be less.

The Government will invite the BAA to submit for approval investment proposals for the phased development plan. It will expect the BAA to show that the investment will earn an acceptable rate of return.

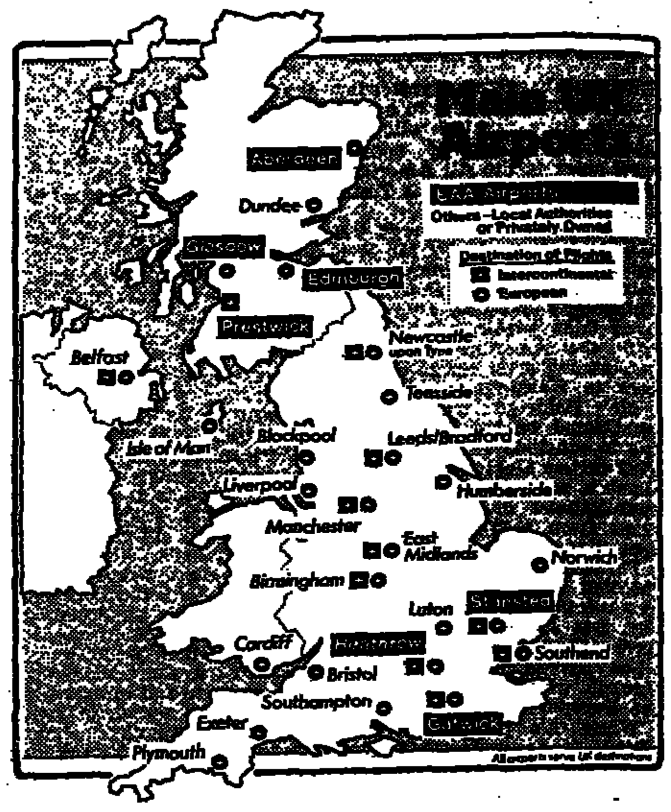
There will be a limit on aircraft movements at the airport, set to correspond with the first phase. Later, increases in that limit will be subject to parliamentary approval.

The Government will invite British Rail to study the possibilities of a rail link into Stansted in co-operation with the BAA.

The White Paper recognises that, in time, "increases in demand may justify further development to utilise the full capacity of Stansted's runway (25m passengers a year), but this will be subject to further planning permission and to parliament's approval for increases in the air transport movements limit."

The Government does not intend that a second main runway should be constructed at Stansted. It believes that the proposed limit on aircraft movements there will provide a valuable safeguard against such a development.

Commenting on Heathrow, the White Paper says the Government does not consider that a fifth terminal is desirable or necessary just yet.



Olivetti takes closer control over Acorn

BY JASON CRISP

OLIVETTI, the Italian office equipment company, has stepped in to take a more direct control of Acorn, the troubled UK microcomputer group it rescued in February. Olivetti has a 49 per cent stake in Acorn.

Acorn announced yesterday that Mr Alex Uboldi, a senior Olivetti director, has been appointed as its acting managing director. The move is unusual for Olivetti, which holds minority stakes in a number of high-technology groups and does not normally intervene directly in their management.

It is thought Olivetti has had to step in at Acorn because of the difficulty in recruiting a managing director from outside, together with a number of pressing problems at the company. The co-founders, Mr Chris Curry and Mr Herman Hauser, who ran the company until the Olivetti rescue, are thought to have substantially reduced their involvement with the company.

Olivetti bought its stake for £10.4m in February after Acorn ran into serious financial difficulties. Dr Alex Reid, the chairman, was appointed acting chief executive in January and has continued to run the company since the rescue.

Rothschild named for gas offer

BY DOMINIC LAWSON

N. M. ROTHSCHILD, the merchant bank, is to advise the Government on the privatisation of British Gas. Kleinwort Benson, which handled the successful privatisation of British Telecom earlier this year, is likely to get the job of advising British Gas on its move into the private sector.

Rothschild succeeded against the competition of 15 other banks. Mr Michael Richardson, who will lead the bank's team on the offering, said yesterday: "The British Gas offer will be the most exciting and challenging privatisation of them all."

The bank is at present advising the Ministry of Defence on the privatisation of the Royal Ordnance Factories which supply arms and munitions.

The key to the British Gas offer will be the nature of the regulatory system that the Government sets up to monitor pricing policy once it is in the private sector.

Flotation boost at Wellcome

By Tony Jackson

WELLCOME FOUNDATION, the privately owned drugs group, has increased its pre-tax profits for the six months to February by 65 per cent from £42.7m to £70.5m. The increase, much larger than expected, is likely to increase the value of the company's stock market flotation planned for next January.

The greater part of the increase came from the U.S., now believed to account for about two thirds of Wellcome's profit. Zovirax, the anti-herpes drug, was made available for the first time in the U.S. in capsule form in February. Previously the drug had been available only as an ointment or as an intravenous treatment.

In addition the Actifed range of cold cures was made available for the first time in the U.S. across-the-counter, as well as on prescription. Wellcome has devoted much effort to building up its marketing force for over-the-counter sales, and Mr Alfred Sheppard, Wellcome's chairman, said: "In the U.S. we are going to increase our marketing efforts further."

Currency movements added just over £50m to the value of sales.

Press Council sets out code for financial journalists

BY SUE CAMERON

THE PRESS Council, the body supported by the newspaper industry and which supervises press standards, yesterday dismissed as "undesirable" calls for new regulations to cover the professional conduct of financial journalists."

But it has published a declaration of principle that says financial journalists should not use information obtained through their jobs for their own profit. It has also produced a six-point set of voluntary guidelines. It has also warned journalists that they should not do any financial deals they would be ashamed of if their readers found out about them.

The council's declaration and its new, voluntary ethical code follows the Gower report and the Government's White Paper on investor protection. Professor Jim Gower, whose report was published last year, called for financial journalists and writers on tipsheets to be covered by the same regulations as those governing the registration and conduct of professional advisers.

The White Paper, which came out at the start of this year, said tipsheet publishers should have to be authorised, but that bona fide newspapers should not require authorisation.

The main points in the council's guidelines, drawn up after consultation with editors and press organisations, are:

- Financial journalists should not be banned from owning shares or other securities. The council believes it would not be reasonable to demand a general ban.
- Financial journalists should not write about shares or securities in which they – or their close families – have an interest without first disclosing the interest to their editor or financial editor.
- Journalists should not buy or sell shares or securities – directly or through nominees or agents – if they have recently written about them or intend to write about them in the near future.
- Editors can "release" journalists from this obligation "should unforeseen circumstances arise."
- Financial journalists should not speculate by buying or selling shares or securities on a short-term basis.
- Journalists should never buy or sell shares or securities when they have obtained price-sensitive, unpublished information about them through their jobs. Nor should they pass such information to others.

The council said last night that it had decided against a "rigid national code dealing with the conduct of financial journalists." It felt the variety among newspapers and periodicals plus the differing roles of financial journalists on them, would mean that a rigid code would be unhelpful.

It gave a warning that it would be "ready to deal with complaints from any source that newspapers, periodicals or journalists have acted in breach of the spirit of this declaration or these guidelines." The council added that it might also "initiate inquiries into apparent breaches" even if it had received no complaints from outside.

Prof Gower said he had not yet had a chance to study the guidelines. His immediate personal reaction was that they were "helpful and a step in the right direction." But he added that as "the Press Council has no teeth [statutory authority] we will have to wait and see whether they will do any good.

Journalists on the Financial Times are already subject to a rule on ethical behaviour which is written into their contracts of employment. The rule is that anyone who uses information gained from their jobs before it is published, or who acts in any way that would jeopardise the FT's reputation for independent and unbiased comment will be regarded as guilty of misconduct and liable to instant dismissal.

Mr Geoffrey Owen, the editor of the FT, last night welcomed the council's declaration. He said it was in line with the "FT's own views on what constitutes ethical behaviour." The FT would be adopting the council's guidelines for its own staff.

Pit overtime ban ends

BY DAVID BRINDLE, LABOUR STAFF

THE PIT supervisors' union Nacods yesterday announced it was calling off its national overtime ban immediately without putting to ballot the National Coal Board's undertakings on colliery closures.

The decision, reached by the Nacods executive after talks at the board's headquarters, angered some union members who believed they had been given a categoric assurance that a fresh ballot would be held.

One regional official said: "I have been preaching this from platforms when I have been out selling the ban to the membership. We'll want to know the reason why it has been called off without a ballot."

Mr Ken Sampey, the union's president, who had himself said there would be a ballot on calling off the ban, said the executive had decided by a majority to take the decision straight away.

The rules required a ballot only in the case of strikes, Mr Sampey said. In the executive's view, the NCB had met all the points raised by the union.

CBI attacks support for EEC directive on product liability

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE CONFEDERATION of British Industry (CBI) yesterday mounted a last-ditch attempt to block the British Government's support for the proposed EEC directive on liability for defective products.

The directive is expected to be approved at a meeting in Brussels later this month after 10 years of deliberation within the EEC.

The CBI believes that the proposed draft, which includes a compromise supported by the British Government, "will cause serious problems for producers in Britain and elsewhere."

The CBI claims that the directive would increase business costs, especially insurance costs in high risk sectors such as pharmaceuticals, chemicals and aerospace.

In addition, the CBI believes the proposal might reduce the competitiveness of British companies, put some small companies out of business, lead to job losses, inhibit innovation and reduce consumer choice.

The CBI has consistently opposed the EEC draft directive in the decade it has been under discussion. It is annoyed that the Government is now prepared to accept the directive "without full consultation with industry."

The CBI maintains that the directive as it now stands would not lead to harmonised product liability laws throughout the EEC. This is because of a compromise proposal in the final draft of the directive, which would enable member countries to vary parts of the directive and would allow for a review to take place after seven years.

The compromise proposal is based on the principle of strict liability, so the injured party would not have to prove fault. The manufacturer would have a defence if the defect could not have been discovered in the light of scientific and technological knowledge at the time the product was first sold.

The CBI says it is "amazed that the UK Government should be so ready to agree to something which would add extra cost burdens to industry, at a time when the Government itself is seeking to lessen the burdens it imposes in order to improve industrial competitiveness and the scope for job creation."

Peugeot enters British mini-van market

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

PEUGEOT IS entering Britain's mini-van market for the first time with a version of its best-selling 205 car.

Citroën, a sister company to Peugeot, and Mazda of Japan are also launching light commercial vehicles. Their appeal will be mainly to owner-operators.

Peugeot 205 vans will be available with both petrol and diesel engines and a choice of two trim levels. They enter a market sector dominated by Austin Rover's Metro van and the Ford Fiesta van.

Peugeot claims that, while priced at about the same level – from £3,840 to £4,445 – the 205 van has a better specification and bigger payload than its rivals.

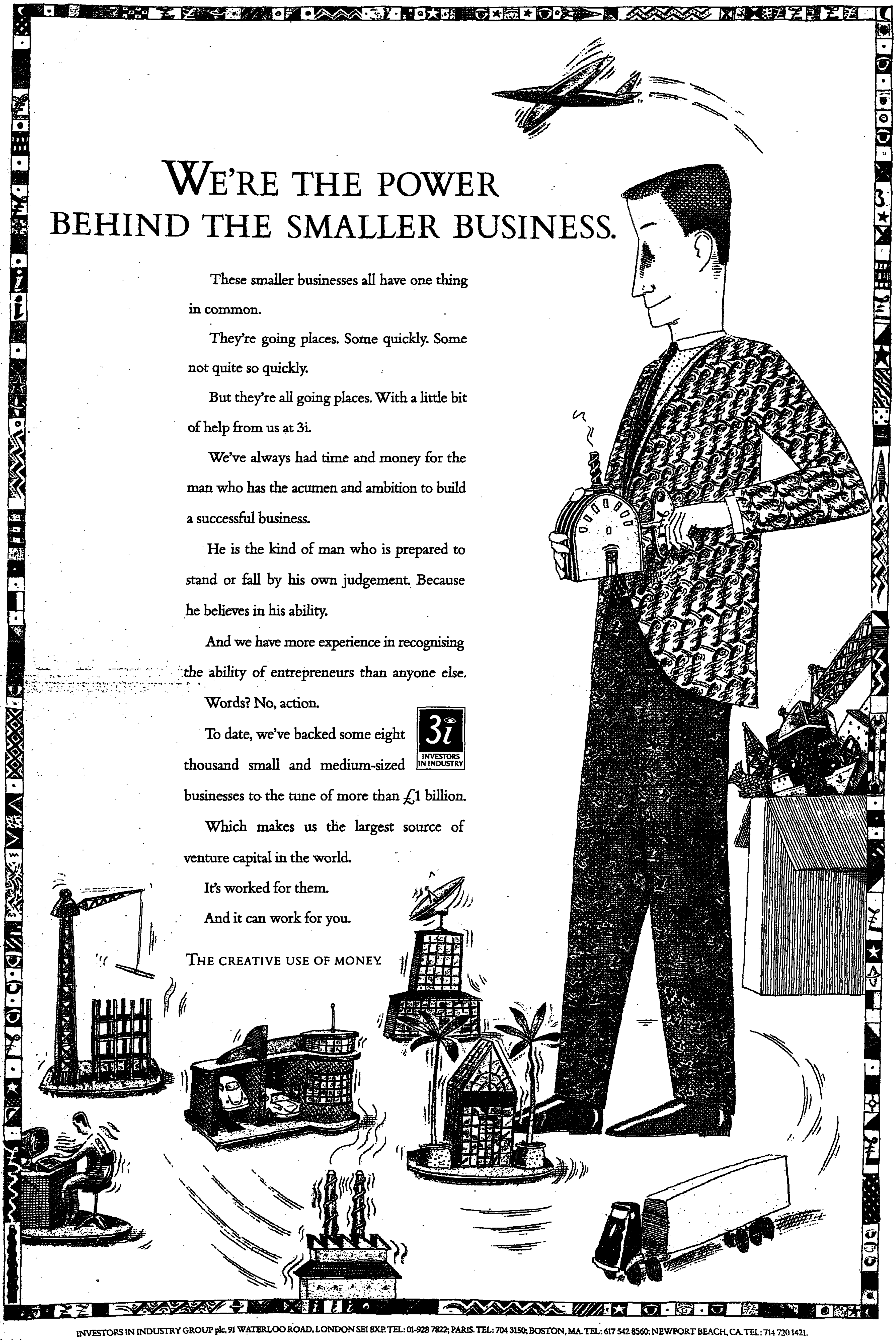
The French company hopes to sell between 3,000 and 4,000 a year compared with Metro van sales of 5,933 last year and Fiesta van registrations of 4,568.

While the Peugeot 205 van is very much a car with the rear seats taken out and the windows filled in, the Citroën Visa van, while employing the same engines – the French group's 1,124cc petrol or 1.7-litre diesel – has a purpose-built box body built on the back.

As part of its marketing programme, Citroën will sell the vans painted only in red or white and calls them either Van Rouge or Van Blanc.

Mazda is constrained by the limitations on Japanese light commercial shipments to Britain contained in the gentlemen's agreement between the industries of the two countries. It has a light commercial quota of about 3,000 a year.

However, it is taking the opportunity to move its commercial vehicle range up-market by introducing a new pick-up truck to replace the existing B1800. The new B2000 pick-up has more power – from a new 2 litre engine – increased payload and additional load capacity.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Why Arco is slimming down to its 'crown jewels'

By William Hall in New York

WHAT IS Arco up to? It is a question taxing many rival oil men and Wall Street analysts as they ponder the most dramatic voluntary restructuring yet announced by a major international oil company.

At the end of April Atlantic Richfield (Arco), sometimes regarded as the "eighth sister" of the international oil business, unveiled a far-reaching plan to turn itself into a smaller but more profitable company. Wall Street greeted the plan enthusiastically and Arco's share price leapt by close to a quarter in a matter of days. But the plan has puzzled many in the oil industry.

Briefly, the company is writing off $1.3bn, or virtually all of its earnings this year, to cover the losses on the sale of the bulk of its non-oil operations. It is selling about two-thirds of its service stations and drastically shrinking the size of its downstream operations, cutting back sharply on its oil exploration spending, and axing around 13 per cent of its remaining workforce.

This is the second write-off the company has taken in less than a year. Last August it wrote off $785m after tax to cover losses on the sale of most of its Anaconda metals and mining businesses, an ill-fated $700m acquisition made when oil prices were soaring in the late 1970s.

To soften the blow to shareholders, Arco is increasing its annual dividend by a third and buying back close to a third of its shares for $4bn, transforming itself along the way into one of the most heavily leveraged oil companies in the world. Its debt to capitalisation ratio will jump from 35 per cent to close on 60 per cent.

Everyone in the oil business these days is talking of the need to slim down their operations and "enhance shareholder value." But no major oil company has gone anywhere near so far as Arco has with its plans to restructure its business.

Is Arco trying to protect itself and its giant stake in Alaska's rich oil reserves from an unfriendly corporate predator like Mr T. Boone Pickens, the maverick Texas oil men? Is the company more frightened than its competitors about the downside potential for oil prices?

These questions and many more have been going through the minds of observers as they watch one of the more successful and better managed oil companies in the world reposition itself for the next decade.

To listen to Mr Bill Kieschnick, Arco's 62-year-old chief executive explain what he is doing, one could be forgiven for thinking that it was one of Mr Picken's disciples doing the talking. It is not just the Texas accent. Unlike many oil industry veterans, Mr Kieschnick joined the old Atlantic Refining Company as a chemical engineer in 1947, he admits that the oil industry is overcapitalised and has not faced up adequately to the changed environment in which it finds itself.

"I will readily concede that we are less attractive as a takeover target," notes Mr Kieschnick, but he stresses that if his major objective had been to make his company invulnerable to takeovers he would have designed a very different package. Like many oil men, he feels strongly that Unocal and Phillips Petroleum have had to pay a formidably high price to fight off raids by Mr Pickens. They have been forced to do things they did not want to do and are already being labelled the "walking wounded" by rival oil company executives.

THE CHANGING SHAPE OF ATLANTIC RICHFIELD

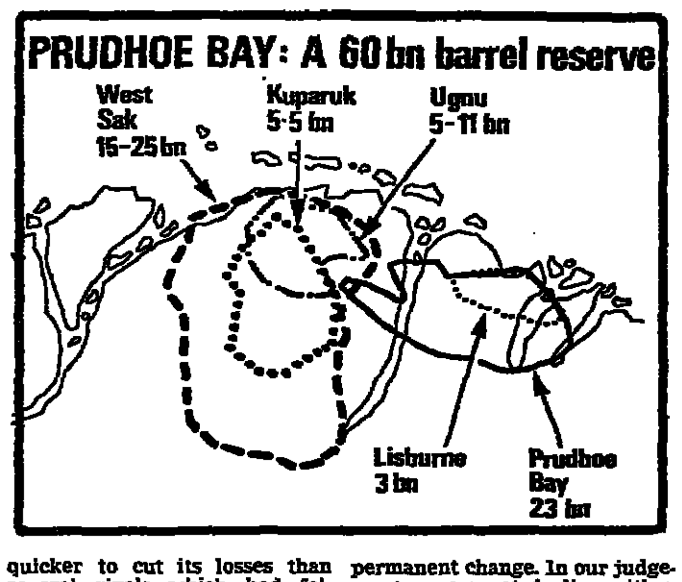
	1980	1981	1982	1983	1984	1985* (pre-restructure)	1985 (post restructure)
Net income ($m)	1,592	1,631	1,732	1,591	1,129	1,390	1,640
Return on equity (%)	24.4	20.8	18.7	15.3	13.4	—	—
Longterm debt ($m)	2,889	3,239	3,499	3,543	3,485	3,500	8,700
Cap. spending ($m)	3,075	3,711	4,216	3,543	3,485	3,585	2,800
Proved oil reserves (billion barrels)	2.6	2.6	2.7	2.8	2.9	—	—

* 1985 figures are Arco estimates.

Arco has always had a reputation as a company which has not been afraid to challenge the oil industry's conventional wisdoms. When the giants of the industry had given up hope of finding oil in Alaska, Arco—then a small regional oil company—persevered and in 1968 struck oil at Prudhoe Bay, the largest oil field ever discovered in North America.

A decade later it gambled on being able to transfer its oil and gas expertise into the mining business via the acquisition of Anaconda. When it realised that it had made a mistake it was far quicker to cut its losses than several rivals which had followed it into the industry.

PRUDHOE BAY: A 60bn barrel reserve



Similarly, Arco's decision to drop its credit card three years ago (an unheard of move for a major oil company) and slash its retail petrol prices, caused uproar in the industry. But it enabled Arco to leap into first place in its California backyard, the biggest and most profitable petrol market in the U.S.

"After several difficult years, we have reached the important conclusion that the problems besetting our industry are not cyclical in nature but represent permanent change. In our judgement we are not dealing with a blip in a long-term uptrend, but have moved into a highly competitive environment in which all previous concepts and experience must be carefully reexamined to see whether they are still valid," says Mr Bob Anderson, Arco's chairman for the past 20 years.

For the past couple of years Mr Anderson and Mr Kieschnick, who succeeded him as chief executive in 1982, have been watching two fundamental developments which have heavily influenced their thinking about the sort of company which they would like Arco to be.

Mr Bill Kieschnick

Under its current financial projections, Arco has assumed that crude prices fell to $27 a barrel in March 1985 and will remain at this level for the balance of the year. This compares with a current price of $27.50 for West Texas intermediate 40° gravity crude.

The most popular scenario on Wall Street is that the oil price will drop to around $25 a barrel where it will hold before beginning to rise again. Arco has tested its projections on various price assumptions, including the possibility that the price might drop as low as $21 in 1987, or $18 in 1984 dollars.

The second fundamental development which has undermined Arco's earlier heady growth projections has been the imbalance of U.S. monetary and fiscal policy which has resulted in extraordinarily high real interest rates in the U.S. and an overvalued dollar. Mr Bob Anderson, who is sometimes characterised as bringing up "the left wing" of the U.S. oil business, says that the actions Arco announced on April 29 "are in no small sense a response to these problems.

"Many of the operations and plants which we are terminating in the U.S. would be profitable operations almost anywhere else in the world. Something is terribly wrong with current U.S. economic and monetary policies."

"We decided our traditional exploration programme, especially in the U.S. at this particular time was too large to fit the economic realities of prices," Mr Kieschnick states.

Arco accepts it will not be able to match last year's performance when it replaced 17 per cent of its domestic crude oil and natural gas liquids production of 655,000 barrels a day, but it is confident that it can maintain and probably increase its production and 3bn barrel reserve base.

Having accepted that its reduced exploration and production programme was not going to damage the company over the long term, Arco then took the axe to its downstream refining and marketing operations. Unlike most of the U.S. majors, Arco does not subscribe to the industry view that downstream operating margins will recover any time soon.

Consequently, Arco is undertaking an orderly withdrawal from petroleum refining and marketing east of the Mississippi and concentrating on its more profitable West Coast operations, where it has a powerful market position and faces less competition.

The final major repositioning for the company has taken place in its $3bn a year chemical operations. It has sold the bulk of its low margin commodity petrochemical operations and put the remainder, along with its 233,000 barrel-a-day Houston refinery into Lyondell Petrochemical, a new company. Arco has written down the assets of the company and hopes that it will develop into a low-cost merchant refiner-chemical producer. The rest of the business is concentrated on proprietary technology and specialty chemicals where Arco sees real long-term growth potential.

Mr Kieschnick describes the key elements of the new, slimmer Arco as "crown jewel operations." By eliminating the loss-makers it has reduced the drag on its earnings. This, together with the cuts in exploration, staff and overheads should result in annual cost savings of $500m.

While the cost-cutting is an important part of the new Arco, Mr Kieschnick also stresses intangible benefits such as the changes in the company's character that will follow on from these moves. "Any time you have a company which is not burdened with a lot of loss controls, it can face the future more boldly. Each time you have a company with an array of winning operations, success seems to build on itself."

Previous articles in this series appeared on May 23 and June 3.

BNFL DENIES FIVE CHARGES

Nuclear waste management called 'sloppy'

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

BRITISH Nuclear Fuels (BNFL) was accused yesterday of displaying a haphazard and generally casual style of management in the way it disposed of radioactive nuclear waste from its Sellafield plant in Cumbria, north-west England, in November 1983.

Opening the prosecution of the state-owned BNFL at Carlisle Crown Court, Mrs Helen Grindrod, QC, for the Director of Public Prosecutions, said that those responsible for the disposal of nuclear waste were required by law to act to a very high standard of competence.

"We say BNFL fell short of that," Mrs Grindrod told the jury of eight men and four women.

"Hasty decisions and sloppy management won't do. That is what we say happened in November 1983."

BNFL, which could face unlimited fines if convicted, has pleaded not guilty to two charges under the 1960 Radioactive Substances Act and three under the 1965 Nuclear Installations Act.

It has pleaded guilty to a fourth offence under the 1965 Act concerned with the keeping of records.

Mrs Grindrod emphasised that the case concerned only events in November 1983 when radioactive material was discharged from Sellafield into the Irish Sea, contaminating nearby beaches.

The issue, she said, was whether BNFL was in breach of controls imposed on it in its management of Sellafield, in particular controls on the movements and disposal of nuclear waste.

The company has pleaded not guilty to:

Discharging highly radioactive matter and liquids into the sea "to such amount and at such a rate that radiation exposure ... was not as low as was reasonably achievable."

Allowing highly radioactive material to enter a transfer pipe to a sea discharge pipeline without ensuring "so far as was reasonably practicable" that there was adequate means of preventing it having to be flushed to sea if it became lodged in the transfer pipe.

Discharging highly radioactive matter and liquids to sea and failing to ensure "that any person in the vicinity of the end of the discharge pipe or using adjacent waters of adjacent beaches" was informed of the fact and of the resulting increased risk of exposure, "thereby failing to take all reasonable steps to minimise the exposure of persons to radiation."

Failing to keep on-site adequate records of the amount of all radioactive material stored or accumulated.

Failing to keep records of radioactive material discharged to the sea.

The company pleaded guilty to a charge of failing to keep adequate records of its operations.

Mrs Grindrod said that during the annual shutdown and cleaning out of the Sellafield plant, non-liquid radioactive waste, which would not normally be discharged into the sea, had got into the wrong place and had been discharged.

Something had gone wrong and in an attempt to recover the situation BNFL had lost control, she claimed.

Staff had been unsure precisely what, and how much, had been discharged. But they had known that something unusual had happened, in which they had put into the sea material that would behave differently from the usual liquid waste – material that attached itself to flotsam and came on to the beach.

Mrs Grindrod said that, although authorised to discharge radioactive waste, BNFL was bound by a condition requiring it to limit discharges so as to ensure that the exposure to radiation was "as low as reasonably achievable" – the so-called "Alara condition."

The Crown alleged that that condition had been breached in November 1983 when the beaches were contaminated.

Mrs Grindrod said that BNFL had not been in a position to fill in the necessary discharge records because it had not known how much had been discharged. There was a dispute about the amount between the company's employees.

The hearing, which is expected to last at least six weeks, continues today.

Matsushita plans European research lab

BY RAYMOND SNODDY IN OSAKA

MATSUSHITA Electric, the world's largest consumer electronics company, is planning to set up its first European research and development laboratory in the UK.

If the project goes ahead, it is believed that it might be the first substantial research and development (R & D) investment by a Japanese company in Europe.

Matsushita, which this year will spend a total of $900m on R & D, is already looking for a Briton to run the laboratory. Dr Shigeru Haywakawa, the company's senior managing director for R & D, said he had asked Matsushita's subsidiary Panasonic UK to find a person of the right quality to lead the operation.

"I am thinking of opening the laboratory in the UK, but the problem is to find a good manager to run that operation," he said.

Dr Haywakawa said he had been considering siting the laboratory in West Germany but now thought that the UK would be the best location.

The Japanese company already has research operations in the U.S. and Taiwan.

The possible areas of research include new media, such as cable and satellite television, office automation and computer software. Matsushita believes that most of those involved should be British.

"It would be meaningless if we send many people from Japan. If we are to have such a laboratory in the UK I believe that most of the people should be from the UK," Dr Haywakawa said.

Dr Haywakawa also said in an interview that he believed Matsushita had successfully developed the technology that would eventually make possible the manufacture of three-dimensional integrated circuits of many times the capacity of anything presently feasible.

The Japanese scientist said he believed that the company would be able to put 5-megabit devices – 5m pieces of information on a single chip – into commercial use within three or four years. He believed 16-megabit devices could be produced in five years time.

Such devices, Dr Haywakawa said, could be used to process images for high-definition television pictures and, in the longer term, could produce solid-state tape recorders the size of a fingertip with no moving parts.

"We think we are ahead but until other companies publish we do not know," said Dr Haywakawa.

The Matsushita research executive said that the company intended to develop its own capacity in computer memory devices. But in other areas of computer technology, such as central processing units, Matsushita was talking with Inmos, the Thorn-EMI subsidiary, Philips of the Netherlands and Intel and Motorola of the U.S. about possible future co-operation.

Vosper beats Yarrow to £70m contract

By Andrew Fisher
Shipping Correspondent

VOSPER THORNYCROFT, the Southampton warship yard which is part of state-owned British Shipbuilders (BS), has won a £70m order to build two more anti-mine vessels for the Royal Navy.

The two ships, to be built of glass-reinforced plastic, will bring to 11 the number built by Vosper for the navy. Known officially as mine countermeasure vessels (MCMVs), they have an array of detection equipment and weapons.

"We are delighted to receive this order," said Mr Peter Usher, the managing director. "We have been in strong competition for it, but believe that as a result of improved productivity, we won the contract on competitive merit and quick delivery."

Yarrow, the warship yard on the Clyde which is being bought by General Electric (GEC), has also built MCMVs for the navy and was in contention for the latest contract.

Vosper Thornycroft, due to be privatised as part of government policy but yet to be formally put up for sale, now employs around 3,600 people compared with nearly 5,000 two years ago. A management team has said it intends to launch a buyout attempt.

Like many other BS yards, it has shed jobs as naval and merchant business has been slower to come in. It recently delivered a destroyer to the navy and is also working on two fast patrol craft

LOSS OF 800 JOBS AFTER REJECTION OF UNIONS' PROPOSALS

British Steel to close Tinsley Park plant

BY IAN RODGER

BRITISH STEEL (BSC) has rejected union proposals for saving the Tinsley Park engineering steels plant in Sheffield, Yorkshire. It is proceeding with its plan to close the plant with the loss of 800 jobs.

BSC, which is state-owned, proposed closing the works in March but gave the unions an opportunity to present alternative proposals. The unions suggested a political solution, involving reflation of the economy and the introduction of selective import controls, so as to achieve a 25 per cent increase in demand for engineering steels over the next three years.

Engineering steels are used mainly in the motor industry. Demand has slumped in recent years with the decline of the UK motor industry.

Mr John Pennington, managing director of BSC Special Steels, said yesterday in a letter confirming the closure decision that the prospect of achieving a 25 per cent increase in demand was "remote". No money was available to subsidise Tinsley Park until it happened and the plant's operating costs were about £25m a year.

Moreover, if demand did rise by 25 per cent, the remaining BSC plants could meet it by working 20 shifts a week, instead of the 15 shifts planned when Tinsley Park closes.

Mr Pennington said that protectionist measures "would have to be approached with extreme caution in view of the 2½ ratio of exports to imports in the UK engineering steels sector. In the circumstances, regrettably, the decision has to be taken to close Tinsley Park and there is no alternative to confirming today the closure proposal."

Mr Roy Bishop, divisional officer of the Iron and Steel Trades Confederation, said: "It's clear that British Steel does not want the ideas examined at the highest level."

BSC hoped the required redundancies could be achieved from volunteers not only at Tinsley Park but also at the nearby Rotherham and Stocksbridge works and the Special Steels Division headquarters in Sheffield.

Tinsley Park is the latest in a long series of closures in the engineering steels sector. In 1981, Duport closed its Llanelli works in South Wales and BSC closed the London Works and Round Oak Steel Works in the West Midlands. In 1983, Lonrho closed its Hadfields subsidiary in Sheffield and early last year F.H. Lloyd closed its Dudley works in the West Midlands.

BSC and Guest Keen and Nettlefolds are the only remaining producers and they are awaiting government approval of a plan to merge their engineering steels businesses.

● The Lucas Girling vehicle components group yesterday announced plans to reduce the workforce in its South Wales factories by 700–800 over the next five years to improve competitiveness and secure their long-term future, Robin Reeves writes.

The Welsh component factories, located at Cwmbran and Pontypool, employ nearly 4,000 workers.

Assurances have been given to trade union representatives that there will be no compulsory redundancies.

Abbey Life offer values group at £504m

BY ERIC SHORT

THE PUBLIC offering of shares in Abbey Life Group, Britain's second largest linked life company, will involve 135m shares at a price of 180p each, valuing the whole group at £504m.

The offer was launched yesterday by S. G. Warburg, the merchant bank, which is arranging the sale of 48.2 per cent of the group for Abbey Life's parent, the U.S conglomerate ITT.

The parent, which will receive £243m from the sale before expenses, is planning to retain the other 51.8 per cent. The sale was announced by ITT earlier this year as part of a $1.7bn (£1.36bn) cash-raising exercise.

Abbey Life was founded some 24 years ago by Mr Mark Weinberg, now chairman and chief executive of Hambro Life – the last life company to come to the market and now part of BAT Industries.

It was a pioneer in the selling of linked life assurance – contracts that invest in the units of an underlying fund – in contrast to traditional life products, which offer guaranteed benefits plus bonus additions.

Abbey Life, which suffered during the early 1970s in the period after the departure of Mr Weinberg, has shown considerable growth in new life and pensions business over the past five years. Its new business in 1984 was exceeded only by that of the established life companies, Prudential and Legal and General.

Applications open on Wednesday, June 12, and dealings are scheduled to start on June 19.

ITT took the decision to make a public flotation of Abbey Life, rather than a placing or even a sale to another purchaser, after a feasibility study by S. G. Warburg, which is handling the offer in conjunction with stockbrokers Rowe and Pitman.

A placing or a single buyer sale would have raised more cash for ITT. In the past few years, there have been a number of life companies sold by their owners, but in each case the sale was to a single purchaser.

Two life companies, Lloyd's Life and Providence Capitol, are in the course of changing ownership in such a manner.

Union is awarded £1.2m for ballots

By Philip Bassett,
Labour Correspondent

THE GOVERNMENT has awarded public funds of £1.2m to the Amalgamated Union of Engineering Workers (AUEW), Britain's second-largest union, as reimbursement for the costs of its internal ballots. The move is likely to open fresh divisions over the Trades Union Congress (TUC) blanket opposition to that law.

Acceptance by the AUEW of the money is in clear defiance of TUC policy – the AUEW is the first union to break ranks on the issue – and places the TUC's formal opposition to the law under its most severe strain since its adoption in 1982.

For the Government, the move is an important breakthrough for ministers' hopes that unions will comply with the law. Welcoming it last night, the Department of Employment said: "It marks a step forward in the progress of the Government's wider programme to ensure that trade unionists really do have the opportunity to participate in their union's activities."

Leaders of the AUEW this week received notification from the Government's Certification Officer, who has statutory responsibility for overseeing unions' internal affairs, of his approval of the union's application for funds under the Employment Act 1980.

The approval of funds totalling just under £1.2m covers more than 150 ballots – the majority of them elections of AUEW officials – dating back as far as March 1981. It is by far the largest single approval so far made under the Act, and far outweighs the £196,653 previously spent in total under the first four years of the scheme's operation.

The Certification Office is also considering a second TUC application, from the electricians' union EETPU, which, like the AUEW, is on the right of the union movement.

The AUEW's application was sanctioned by a membership ballot vote in the union which on a high poll showed 12–1 in favour. Although the application ran into opposition at this year's AUEW annual conference, a second ballot on the issue will cover only the principle, and future applications, and that successful claim will remain unaffected by its outcome.

JOBS COLUMN

Mysteries of the executive selection trade

BY MICHAEL DIXON

JOB CANDIDATES who see themselves as prepared for anything recruiters might get up to, had perhaps better think again.

Even those who don't turn a hair at being assessed by astrology or body-measurement might well be taken aback by some of the "more obscure" selection dodges listed in a survey report, published today, by the Paul R. Ray International executive search consultancy. They include "Nipp tests," the "Kostick PAPI," and "work assimilations."

As well as sounding menacing, they were complete mysteries to me despite more than 12 years as a commentator on recruiting rituals. Fortunately Ken Miller, of London's Independent Assessment and Research Centre, soon cleared up two of them.

The Kostick PAPI—which stands for "perception and preference inventory"—is a measure of the personality type created by an American called Kostick, the rights to which apparently now belong to PA Management Consultants. As for Nipp tests, any chauvinist who thinks they must have originated in Japan is wrong. They are IQ-style measures developed by Britain's late lamented National Institute of Industrial Psychology, and now in the charge of the National Foundation for Educational Research.

Work assimilations still remained a mystery to Dr Miller and the Jobs Column alike.

Since in my book to assimilate is the same as to absorb, I guessed that they must have been *imported* from France where "a manager" has long been defined as "a machine for crushing work." I reasoned therefore that work assimilation tests must consist of loading would-be executives with heavier and heavier dollops of work to see how much of it they could take.

(Not altogether humane, perhaps, but surely no worse in principle than the stress interviews perpetrated by some sadistic recruiters.)

Then luckily Bob Worcester of Market Research and Opinion International got back from Copenhagen and telephoned me. It just hapens that Mori did the survey work underlying the Paul R. Ray International report which lists the obscure selection dodges.

He explained that "work assimilations" is his name—which he insists is the right one—for the kind of tests that everyone else seems to call *work simulations*.

The best known example is probably the so-called In-basket exercise developed by the psychologist Norman Frederiksen. It confronts executive candidates with a pile of letters, memos, notes on telephone calls and suchlike bumf, along with an outline of the candidates' supposed role in an imaginary organisation. The test is how well they cope with the *managerial challenge* represented by the bits of paper. While some recruiters set great store by the exercise, follow-up research has shown that it is no more than weakly and erratically predictive of executive performance in real life.

So it seems that none of the three menacing-sounding selection tests holds any out of the ordinary fears for hard pressed candidates. But I fear the same cannot be said for another of the listed dodges.

It is to give candidates "several glasses of wine at lunchtime." While I cannot offer advice on how to pass that test—it might well be that preferring water, for instance, would constitute failure—at least readers will be forewarned not to mistake a prospective employer's hospitality for generosity.

But the clearing up of the mysterious selection devices still leaves a number of other mysteries outstanding in the *disclosures of Ray International's* report, whose main purpose was to find out what employing organisations think about the personal-approach recruitment methods used by executive *search* consultants in general.

As I said, the report is based on research done independently by Mori. The *survey* covered the personnel chiefs of 141 leading organisations in Britain, including half a dozen banks—which raises a somewhat personal mystery.

Eight weeks ago I reported, on what seemed to me sufficient evidence, that banks in the City of London particularly felt they were not getting a fair deal from the executive search fraternity. I quoted one of the eight City people I consulted as saying:

"Very few of them generate any sort of feeling of being concerned to give value for money. They charge very substantial fees—usually 30 per cent of salary—most if not all of which they claim irrespective of whether they find the right candidate."

The Mori survey found entirely to the contrary. Of the *sample of companies as a whole* about 80 per cent replied that they were at least fairly satisfied with the service they had received from executive *searchers, including all six of* the banks.

If any readers with first-hand knowledge of banking matters can offer guidance on which of the two contradictory views is the truer, I'd be grateful to *have it*.

A further mystery arises from executive searchers' fairly low rate of success in filling the jobs assigned to them. Here the evidence is not just from the Mori survey (copies of which are available free from Ray International's Ian Christians at 58 St James's Street, London SW1A 1LL; telephone 01-408 2229). For it just so happens that Business Development Consultants (International) has also just published a survey of 188 *employers' views of executive* search.

Mori's findings imply that the headhunters succeed in bringing home the required executive bacon only about half the time. The other survey puts the *success rate higher* at 62 per cent.

Such *less than impressive* results surely chime oddly with the evidence that the bulk of the searchers' clients are at least fairly satisfied with the services received. The level of satisfaction indicated by the Business Development Consultants' inquiry is even higher than the Ray report's 80 per cent plus.

Odder still is that only a minority of the samples of either survey — 21 per cent of BDC's but only 8 per cent of the other — seemed seriously concerned about the executive searchers' charges. These, as we know, often *amount* to about a *third of* the first year's salary *for the job in question*, at least some of which is payable even if the post is not filled.

That contrasts sharply with the charges of concerns specialising in finding top-grade secretaries, which seem to range between 15 and 18 per cent of salary all in, payable *only if the right* recruit is found.

I find it hard to see how searching out talented executives can be so much more difficult than finding first-rate secretaries, many of whom are largely employed in all but name as the personal manager to their so-called boss. Perhaps employing organisations should start asking why what they get from a top secretarial agency for 15 per cent should cost twice as much from some headhunters.

£1m sellers

TWO PEOPLE with proven success in selling management consultancy services to the tune of £1m a year are wanted by the P-E Consulting Group, which *is now* preparing to go to the Unlisted Securities Market.

Salary indicator is £20,000 upwards plus bonus on results and perks including a car.

Inquiries to P-E's David Sears at Foxglove House, 166 Piccadilly, London W1V 9DE; telephone 01-409 2669.

Amsterdam-Rotterdam Bank N.V.
London Branch

Zoekt een Hoofd Afdeling Account Services

Salarisindicatie: v.a. £12,000 afhankelijk van leeftijd en ervaring plus emolumenten.
leeftijd bij voorkeur 28-35 jaar.

Het Kantoor Londen van onze Bank zoekt voor deze functie iemand met een ruime bankervaring en kennis van het Nederlandse en Engelse banksysteem, locaal zowel als internationaal.

Dit houdt bij voorkeur in: kennis van het internationale betalingsverkeer en inkassi, basiskennis van valutatransacties en Dokumentaire Akkreditieven, en goede bekendheid met de procedures inzake het voeren van rekeningen voor Nederlandse en Engelse bedrijven.

De succesvolle kandidaat zal verantwoordelijk zijn voor de dagelijkse leiding van de afdeling Account Services en direct contacten onderhouden met de clienten van de Bank. Een goede communicatieve vaardigheid zowel in het Engels als het Nederlands is derhalve van essentieel belang.

Indien u de ambitie heeft uw eigen afdeling te leiden, en de energie en het enthousiasme kunt opbrengen een daadwerkelijke bijdrage aan ons bedrijf te leveren, verzoeken wij u schriftelijk (in het Engels) te reflecteren, onder bijsluiting van een volledig curriculum vitae, aan:

Mr. John Parker, Head of Personnel, Amsterdam-Rotterdam Bank N.V. 101 Moorgate, LONDON EC2M 6SB

amro bank
amsterdam-rotterdam bank nv

BADENOCH & CLARK

STOCKBROKING INSTITUTIONAL SALES

To £25,000

Several of our clients, some of the most prestigious stockbroking names in the City, have requirements for talented young Sales Executives to join their successful and expanding teams.

Interested applicants will have gained two years experience with a recognised firm either in sales or possibly in research, and should have the character and ambition to further their career in a more dynamic environment. There are positions available both for Generalists and for those who have and wish to maintain sectoral responsibilities. There are requirements on both UK and International desks.

These positions can offer both attractive career prospects and remuneration to the right candidate.

ACCOUNT OFFICER

c.£17,000 + Bens

Our client, a major Accepting house well placed to expand, is seeking a high calibre lending officer to supplement a team in its Banking division.

The successful candidate will be a graduate in his/her mid-twenties with two years experience of Corporate Banking, gained either in a Merchant Bank or possibly in a prestigious International Bank. You will be able to display a strong credit background and a facility with loan documentation, and you should wish to develop your marketing flair in this progressive organisation.

If you would like to discuss these positions further please contact **Christopher Lawless** or **Stuart Clifford.**

Financial Recruitment Specialists
16-18 New Bridge St. London EC4V 6AU
Telephone 01-583 0073

ACCOUNTANT £16,000 neg

Due to the integration of this Major Merchant Bank and Stockbroker, a career opportunity has arisen for Qualified or Part-time Qualified Accountant. You will be involved in setting up a new securities company with the emphasis on Management and Financial Accounts together with the development of Controls and Procedures. Age 25/30 + mortgage + bonus.

RESEARCH ANALYST £15,000

Prestigeous Merchant Bank seeks a graduate with approximately 2 years research or analysis experience from a bank, broker or insurance company to join their International Investment team. Working with the U.S. Fund Manager, this is an excellent opportunity to start in fund management. Age 23-27.

TRAINEE MARKETING OFFICER £13,000

Major Merchant Bank requires an ambitious Graduate with approx 18 months corporate credit analysis experience. Working on international portfolios you will be expected to research and assess new business and market to multinational clients.

For further details of these and our other current vacancies please call Mike Blundell Jones on 01-236 1113 (24 hours)

PORTMAN RECRUITMENT SERVICES

SALES MANAGERS

A finance house specialising in consumer credit, particularly in credit cards for the retail market, seeks to recruit three sales managers.

Successful candidates must have had at least 10 years' wide experience of instalment credit, be knowledgeable, articulate and dynamic in their ability to seek new business. It is essential they are self-motivated and enjoy the challenge of selling in a highly competitive environment.

These posts offer a basic commencing salary of c. £15,000 p.a., a performance-related bonus, car and other benefits.

Candidates, who will be aged 35/45, should write in confidence to:

THE MANAGING DIRECTOR
CLUB 24 LIMITED
Claypit Lane, Leeds LS2 8DY

A leading (Saudi Arabian) financial institution in the City requires

SENIOR CREDIT ANALYST

for its Credit Department. The ideal candidate will have 3-4 years' experience in the assessment of corporate, bank and sovereign risk gained in a professional and preferably U.S. international banking environment. He or she will be responsible for assessing the finest quality risks with emphasis on trade-related business. Borrowers cover a wide range of industries and banks worldwide.

An excellent package of benefits is offered with salary commensurate with experience.

Please write enclosing CV to Box A9030, Financial Times 10 Cannon Street, London EC4P 4BY

DISTRICT GENERAL MANAGER

BRADFORD HEALTH AUTHORITY

This is the principal post in the Authority which serves a largely urban community in West Yorkshire with a population of 336,000 and an annual budget of £58m.

Management responsibility will be to the Authority for the effective deployment of available resources in support of health and patient care; for implementing its policies and for its financial performance.

Essential requirements are: a proven record of general management success in a large organisation involving control of a substantial annual budget, high qualities of dynamic leadership, and the ability to implement plans, initiate change, motivate others and command the respect of multi-professional colleagues.

Salary and conditions of service will be commensurate with experience.

Yorkshire Health Region

Detailed applications marked 'In Confidence - District General Manager Appointment' to the Chairman: County Councillor J Royston-Moore CBE, Bradford Health Authority, Daisy Bank, 109 Duckworth Lane, Bradford, West Yorkshire BD9 6RL by 21st June 1985.

Investment Manager

Personal Portfolio Management

Dunbar and Company Limited, part of the highly successful Allied Hambro Group, was established 15 years ago to provide a specialist range of private banking services. Over the last decade, both our Banking and Investment Management divisions have grown substantially and an unbroken record of profit increases has been achieved.

We are currently looking for an Investment Manager to join Dunbar Fund Managers Limited which specialises in investment management for private individuals, family trusts and small institutional funds.

Working as part of a highly successful team reporting to the Managing Director, you will have full responsibility for managing a portfolio of clients on a discretionary basis as well as playing a key role in developing new business opportunities and promoting the company's services to potential customers.

Successful candidates will probably be in their thirties with at least 10 years experience in investment gained in a fund management company or the private client department of a stockbroker, merchant bank, or insurance company. You should be forward thinking, commercially aware with an enthusiasm for marketing and able to show considerable initiative. Highly developed communication skills are vital to this role.

In addition to a competitive salary dependent on your experience, we offer a company car with free petrol, non-contributory pension scheme, free life assurance cover, BUPA and profit sharing scheme.

If you're looking for an opportunity which offers excellent prospects for career progression, please write in strictest confidence, enclosing a detailed c.v. to Lesley Holmes, Group Personnel Officer, Allied Hambro Financial Management, 9-15 Sackville Street, Piccadilly, London W1., or telephone her on 01-437 7844 for an application form and further information.

Share in our success

ALLIED HAMBRO
THE FINANCIAL MANAGEMENT GROUP

Business Systems Analysts

City

Our client, a major international organisation, has recently introduced IBM System 38 into its operations and developed revised information and control systems. This change has resulted in the need to recruit a number of experienced business analysts.

These important positions will be concerned with the assessment and analysis of business work flows, the identification of data entities, and their consequent inter-relationships and relevance to broader corporate strategies.

Preferably aged 28-38, candidates should have several years' – preferably post-graduate – experience in Management Accounting, Operational Research or Production Planning. A background of computer analysis and design is essential, and a knowledge of the IBM System 38 architecture and related techniques would be an advantage.

An excellent remuneration package will reflect both experience and the level of the appointment. Benefits are those appropriate to an international organisation and include non-contributory pension scheme.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. M. Hordern ref. B.2039.

These appointments are open to men and women.

HAY-MSL Selection and Advertising Limited, 52 Grosvenor Gardens, London SW1W 0AW.

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CONFIDENTIAL ADVERTISING

Buckmaster & Moore

Stockbroking in The Isle of Man

If you are concerned with the changes taking place in stockbroking and are considering the possibility of moving to a firm whose future is assured, we invite you to contact us.

We are looking for individuals or groups to join our rapidly expanding firm in the Isle of Man. Your own client base would be considered an advantage, and could easily be serviced from the Island.

There is no age restriction and senior individuals are encouraged to respond.

All usual benefits also include an attractive living and working environment and the benefits of low taxation.

Please write in the strictest confidence enclosing a full c.v. to R. L. Margot (Partner),

b+m
Buckmaster & Moore, Members of The Stock Exchange, 3 Athol Street, Douglas, Isle of Man.

Electronic Banking Marketing Officer

c. £18,000 + car

The Chase Manhattan Bank is a world leader in the provision of Electronic Banking. Currently we are looking for a Marketing Officer to augment the UK team responsible for marketing our services to premier UK corporations and institutions.

Working with bank relationship managers and operations teams, you will present the Chase range of electronic-accessed banking services to customers. This is a highly interesting role and one in which you will often find yourself supporting the introduction of new Chase technologies and products.

Other aspects of the work include assisting in the production of marketing plans, and in meeting training needs, identifying market and product development requirements and contributing to all other activities which help to maximise the sale of our products.

Experience of domestic or international cash management gained in a banking or financial service environment would be a real asset though considerably more vital is the potential and motivation to succeed in a challenging field. Certainly, you should possess excellent interpersonal and communication skills, and be a talented negotiator who relishes responsibility.

In addition to an excellent salary commensurate with your experience, we offer the full range of benefits you would normally expect from a major international bank, including preferential mortgage, personal loans, a non-contributory pension scheme, free medical insurance and bonus.

To apply, please write to Shirley Caine, Human Resources, The Chase Manhattan Bank, N.A., Woolgate House, Coleman Street, London EC2P 2HD.

CHASE

Tax Manager

London — **up to £25,000 + car**

Marks & Spencer has a record of real growth few other companies can equal. We have now extended our operations to more than 260 stores in the UK and a profitable presence overseas.

Past growth and plans for large-scale future developments now require the setting up of an in-house tax function with a Manager who will have responsibility for the full range of tax affairs of the Company.

Duties will include advising on new projects and future plans on a group wide basis as well as compliance work.

The position of Tax Manager requires a qualified accountant with at least two years experience of tax management in a professional practice or large commercial undertaking.

A commercial outlook, self-motivation and the ability to communicate effectively at all levels are essential.

As well as attractive salary and company car, the benefits package includes a non-contributory pension scheme, free life assurance and profit sharing after qualifying period.

Applicants should write, enclosing full CV and quoting reference FT, to Management Recruitment, Marks & Spencer Plc., Michael House, 57 Baker Street, London, W1A 1DN.

Marks & Spencer

INNOVATIVE FINANCIAL ENGINEER

£27,000-£35,000 + Benefits

Our client, a well respected City Institution, seeks a highly professional individual (ACA or equivalent) whose present involvement in high level negotiations has resulted from a sound technical grounding in major asset finance. Aged 32-35 years, applicants should combine an in-depth knowledge of big ticket leasing, project and export finance in relation to the UK, US and European markets, with first class negotiating skills and the technical ability to formulate individual financial packages of a highly complex nature.

INTERNATIONAL TAX EXPERT

£Neg

An opportunity now exists for an entrepreneurial taxation specialist to join a leading Merchant Bank. The successful candidate, aged 32-36 years, will possess a professional accounting or legal qualification together with the proven ability to solve complex international tax problems. Equally important is the creative flair to identify new business opportunities and operate independently in an expanding, innovative environment. The financial package is negotiable, but will reflect the seniority and importance of this position.

ACA's – UK TAXATION

We still seek applications from ACA's, aged 27-30 years with a minimum of 2 year's UK corporate taxation experience, who are keen to utilise their creative financial skills more fully, in an agressive banking environment. Vacancies are with a Merchant Bank and a large US Bank.

**For the above vacancies please contact Jill Backhouse or Brian Gooch
All applications will be treated in strict confidence.
JONATHAN WREN & CO LIMITED,
170 Bishopsgate, London, EC2M 4LX. Tel:- 01-623 1266**

Jonathan Wren
RECRUITMENT CONSULTANTS

INTERNATIONAL VOLUNTARY SERVICE

SMALL BUSINESSES MANAGER/TRAINING OFFICER

for vocational training centre in Swaziland. The manager/training officer will carry out and train others in production co-ordination, marketing, buying, bookkeeping, administration etc. Formal qualifications are less important than relevant experience which may include running a business or co-operative; retailing; experience as a general, sales, office, or personnel manager; accountant or buyer. Two year contract including modest living allowance and flights. Regret no funding for dependants. Applicants must be resident in UK or Ireland.

For details send large sae and short cv to:
Rose Gorringe, Dept. FT1
International Voluntary Service
53 Regent Rd, Leicester LE1 6YL

GNI

GNI Ltd, one of the most active members of LIFFE, are looking for an experienced Pit Trader.
Salary negotiable according to age and experience.
Please reply to Miss Brennan at GNI, 3 Lloyds Avenue, London EC3N 3DS.
Telephone 01-481 1262

FINANCE COMPANY
requires
A TOP PERSON
Based in S.E. Essex
Min. Sal. £14,000
Full CV to:
MODERN LIVING
497 LONDON ROAD
WESTCLIFF-ON-SEA
ESSEX SS0 9LG

Finance Director
Finance & Leasing

Thames Valley — **c. £23K Salary + Car**

Our client is a fast expanding finance and leasing subsidiary of a well established private; broadly-based industrial group – £40 million turnover.

At this critical and exciting stage of our client's development, they are now consolidating all their leasing activities within a new division which has a loan book of £20 million, offering a wide range of finance, leasing and consumer credit services, including their recently acquired hire purchase company.

Your key responsibility as Financial Director, where you will report to the Group Financial Director will be to:-

- strengthen the financial management of the division
- rationalise all the group's leasing/finance activities into one cohesive and new dynamic organisation.

You are likely to be a Chartered Accountant in your 30's with at least 5 years' experience in the finance industry, which will include a full understanding of all aspects of consumer credit and leasing. At the moment you will be at Financial Controller/Senior Financial Manager level and be dealing with credit risk and financial evaluation, underwriting and collection procedures, using computerised systems in a big company environment.

Personal attributes are:-

- Acute commercial reflexes
- A balanced, sensible accounting attitude
- Above all, the inbuilt strength to take on the 'bigger job' in a vibrant growth environment.

Salary and benefits will be especially tailored in the large company mould. Base salary indicator c.£23,000 + car, contributory pension, free life assurance, free medical scheme and relocation costs if required.

For further details, please contact Bill Kirby on Reading (0734) 509151 (ansaphone service outside office hours).
Kirby Professional Recruitment Ltd,
24-26 Queens Road, Reading, Berks RG1 4AU.

Kirby Professional
SUCCESS THROUGH RESULTS

COMPUTER ACCOUNTING SUPERVISOR

circa £11,000 p.a. plus benefits

Our client, a major London based Investment Institution, offers an excellent opportunity within their Computer Accounting Department.

The successful candidate will have knowledge of the Investment accounting and bookkeeping procedures normally associated with an Investment environment. Preference will be given to candidates with experience of computerized systems.

The position will provide a wide variety of challenges including supervising a team of account controllers and participation in the testing, designing and evaluation of new computer systems. As a result, good organizational and analytical skills, together with an interest in computers, are essential to fill this important role.

If you feel you have the right skills, are aged between 25 and 35 and have at least 3 years relevant experience, then please write in confidence with a current c.v. to:
Derek A. Burn, MCP Consultants, Halton House, 20-23 Holborn, London EC1N 2JD

MCP Consultants
Financial Sector Human Resources

Corporate Finance
YOUNG TALENT

A pre-eminent firm of Stockbrokers seeks one or possibly two people to work in its Corporate Finance Department.

- THIS IS AN OPPORTUNITY to join a relatively small team with a leading position in the market.
- THE REQUIREMENT is for a qualification in Law or Accountancy, which will probably have been gained with a major City firm. Some experience of New Issue work would be an advantage.
- AGE: mid-20's. Remuneration unlikely to be less than £16,000.

Write in complete confidence to A. Longland as adviser to the company.

TYZACK
& PARTNERS LIMITED
10 Hallam Street, London, W1N 6DJ. Telephone: 01-580 2924

Investment Marketing
a career development opportunity
Central London

Clerical Medical is one of the UK's leading life and pensions offices, noted for its strength in investment management. Recent corporate development has included the highly successful launch of a range of unit linked products.

Our plans for continued growth have led to an opportunity within a new information unit in the Investment Management area, comprising a small team of specialists who provide varied investment communication support to a wide range of internal and external contacts.

This appointment is probably best suited to a graduate in economics, statistics or other numerate discipline. The successful candidate is likely to have 2/3 years' experience in the financial sector or in industry and to be making good study progress towards a further professional qualification. Equally important will be your personal contribution to the development of this new team, which could prove an invaluable stepping stone towards a career in investment.

We offer a competitive salary according to qualifications and experience plus an excellent benefits package.

Please write with full details to:
Nick Morgan, Clerical Medical and General Life Assurance Society, 15 St. James's Square, London SW1Y 4LQ.

Clerical Medical

Managing Director
An outstanding opportunity in a highly successful company

The company operates in the fields of marketing, advertising and public relations. It has a staff of about 150, and is currently producing pre-tax profits in excess of £750,000.

It is seeking to appoint a Managing Director who will be directly responsible to the Chief Executive, and who will play a central part in maintaining and improving the company's operational efficiency, financial control and profitability, as well as contributing to the strategic development of the business. Responsibilities will also include dealing with some of the company's major UK and overseas clients, at Board level.

Experience in marketing and communications would be desirable; but the company would also welcome approaches from senior managers in analogous service industries such as management consultancy or merchant banking.

The successful applicant is likely to be under 40, but will have an established record of achievement in management, as well as a proven ability to develop business and profits in highly competitive environments.

Initial salary will be in the range £40,000-£50,000, with additional benefits and incentives including share options.

Please reply in the strictest of confidence, enclosing a curriculum vitae, quoting reference ER785/FT to:
Box A9028, Financial Times, Cannon Street, London EC4P 4BY.

Phillips & Drew

PHILLIPS & DREW FUND MANAGEMENT
Statistician – Investment Management

As a result of business growth, Phillips & Drew Fund Management wishes to recruit an additional manager to join the team managing index-matched equity funds and providing related statistical services.

The ideal candidate will be a graduate who has either obtained a post-graduate qualification in statistics or has had some success in the actuarial examinations. Application of this theoretical background to practical investment management should enable rapid progress to be made.

An attractive salary package will be offered.

Applications, containing full educational and career details, should be sent to:-

Mr. J. P. McCaughan F.I.A., Phillips & Drew Fund Management, 120 Moorgate, London, EC2M 6XP.

UK Equity Analyst
to £20,000

Our client, an internationally active investment house involved in Investment Banking, Merchant Banking and Broking, seeks a UK equity analyst to complement their existing research coverage.

Candidates will probably be graduates, aged 24-28 with a minimum of three years' equity analysis experience, gained within either a stockbroker or an investing institution. A broadly based background is preferable although sector specialists with a sound grasp of the UK market as a whole will also be considered. Knowledge of European markets may also be useful.

Reporting to a Director, the successful individual will analyse UK equities and be responsible for producing written research material as well as communicating ideas verbally to other members of the company. This is an unusual opportunity for an ambitious individual to establish themselves in a newly created key-role.

Please contact Stephen Embleton at The Investment Division, 23 Southampton Place, London WC1A 2BP, telephone 01-404 5751.

Michael Page City
International Recruitment Consultants
A member of the Addison Page PLC group

Cazenove & Co.

GILT-EDGED AND FIXED INTEREST SALES

An established Gilt-Edged and Fixed Interest department with full statistical support seeks an experienced person to complement a young team, with access to a wide range of domestic, international and corporate clients.

Remuneration, which is negotiable, includes a non-contributory pension scheme and private medical insurance.

Applications including curriculum vitae, should be made in writing to:
The General Manager,
CAZENOVE & CO
12 Tokenhouse Yard, London EC2R 7AN

All applications will be treated in absolute confidence.

Finance Directors
With General Management Experience

TI Group, an international engineering group, produces a wide variety of consumer, capital and semi-finished goods. We require two outstanding Finance Directors, *who have had previous general management experience and who also have* the potential to achieve Managing Director appointments in the future.

The men or women appointed will work closely with the Chairman of a range of subsidiary businesses, which may be in the UK or elsewhere. A portfolio of such *businesses has total sales of up to about £300m per annum. Assignments will include* performance monitoring, financial trouble shooting, capital expenditure proposals, acquisitions, disposals and helping to formulate business strategies. A functional link will also be maintained with the Group Finance department.

Success in these jobs is likely to lead either to senior line appointments or to more senior financial appointments.

The preferred age bracket is 30 to 45. Applicants must be qualified accountants and must be able to show a record of considerable achievement in senior management *jobs in industry, both in finance and in general management. A business qualification* would be an added advantage.

Salary is negotiable, and benefits include an executive car, top hat pension etc. Help would be given with relocation where necessary. Base Birmingham.

Apply, in strict confidence, to Group Personnel Director, TI Group plc, TI House, Five Ways, Edgbaston, Birmingham B16 8SQ.

FINANCIAL DIRECTOR

required to take charge of the Accounts Department of a busy commercial organisation situated in London NW1.

Applicants must be trained to a high standard of accountancy and have a successful track record in Management.

Salary minimum £22,000 plus car, B.U.P.A., etc. Applicants should apply in writing enclosing c.v. and photograph.

Write Box A9033, Financial Times
10 Cannon Street, London EC4P 4BY

BANKING RECRUITMENT CONSULTANT 25+

Likely remuneration £15,000 pa

LJC Banking Appointments, a small established recruitment consultancy, is seeking a consultant to interview for and fill banking vacancies within the £8,000 to £15,000 pa salary range. The ideal person will have a thorough understanding of the functions of all departments within both merchant and commercial banks. He/she will most likely have worked in a bank or a recruitment consultancy. LJC Banking is offering to a self-starter a challenging but rewarding job in a friendly, professional environment.

Please ring Deborah Mayhew on 01-377 8600 to discuss details.

JOB HUNTERS — Word Processing/C.V's. and mailing lists. Please ring for further details. Tel: 01-393 9011.

INTERNATIONAL ACCOUNTANT

A young and rapidly expanding French Services Group is seeking a qualified accountant (ACA/ACMA) to head up the accounting and reporting function of its London company. Based in West London, reporting directly to the General Manager London, functionally to the Financial Controller at HQ in Lyon, the job will also require some European travel.

The successful candidate will have a strong management and financial accounting background, and the ability to implement sound systems of internal control. Considerable experience of mini/micro computer systems, and the ability to cope with various administrative matters is highly desirable, as is the ability to speak/write some French.

The position offers an exceptional opportunity for a young, recently qualified accountant who wishes to develop experience in a youthful, fast-moving international environment. A generous remuneration package will be provided for the right person.

Replies in confidence to:
General Manager,
JET SERVICES (UK) LTD,
Unit 1, NMT House,
Phoenix Way, Heston, Middlesex.

THE ROYAL LONDON

AN OPPORTUNITY IN FUND MANAGEMENT

The Royal London is a major U.K. insurance company with total assets of more than £1.5 billion. We are seeking to appoint a fund manager who will play a leading part in the management of a wide range of investment funds, including unit trusts. Applicants should have a good degree in Economics or a closely related subject, together with at least 18 months' experience of equity research and investment analysis. To the right person we can offer an attractive salary, substantial fringe benefits and excellent prospects for rapid career advancement.

If you are interested in this position, please write, enclosing c.v. to:-
The Investment Manager,
THE ROYAL LONDON MUTUAL INSURANCE SOCIETY LIMITED,
Royal London House,
Finsbury Square, London EC2A 1DS.

CORPORATE FINANCE SPECIALIST

to £20,000 + Normal Banking Benefits

The Company
A top British Merchant Bank well-placed to tackle the shape of things to come in the new financial era.

The Position
To assist a small team within the corporate finance department which specialises in advising the bank's smaller corporate clients.

The Candidate
Will probably be a graduate chartered accountant or solicitor aged up to 30 years with experience in one or more of the following areas: flotations, rights issues, mergers, acquisitions, contested takeovers, investment under the Business Expansion Scheme. Additionally he or she should be self-confident, have flair and possess good interpersonal skills.

For further details of this position telephone or write in complete confidence enclosing full curriculum vitae to ANDREW GOODWIN, Corporate Finance Division.

CHARTERHOUSE APPOINTMENTS
EUROPE HOUSE WORLD TRADE CENTRE · LONDON E1 9AA · 01-481 3188

RESEARCH ECONOMISTS

The Oxford Institute for Energy Studies wishes to appoint two additional Research Officers, with the following backgrounds:

(1) An Applied Economist with first-class degree and a proven track record of publications and academic research.

(2) An Economist with specialist knowledge of either oil or gas and at least three years' experience in industry.

Appointments are normally tenable for three years in the first instance, and salaries will be according to the Oxford University age-related scale for lecturers.

Applicants for the first post should send details of their publications.

Applicants for either post should send a full curriculum vitae and the names of two referees to: The Administrator, Oxford Institute for Energy Studies, 29 New Inn Hall Street, Oxford OX1 2DX.

Closing date for applications is 24 June 1985.

International Appointments

Senior Accountants Abu Dhabi

Salary: STG.25,000 Free of tax + Substantial Benefits

A leading public sector financial institution requires two Senior Accountants for its Finance Department in Abu Dhabi.

The Institution concerned is actively involved in worldwide securities and other investment on a large scale. The organisation uses sophisticated investment techniques and employs the latest data processing and communications technology.

The candidates appointed will assist the existing financial team in the Finance Department in the following projects:—

(1) The development of Financial Accounting Systems,
(2) The development of performance analysis and other reporting techniques,
(3) The provision of management information to all levels of management.

Scope for personal initiative and creativity is high. Duties will involve extensive contact with Directors and Managers and the position offers first class experience.

Candidates should be qualified Accountants aged between 28-35 with good academic record. Relevant professional experience gained either in a leading International Audit firm or directly in an Investment Bank of other major institution is essential. Energy, creativity and tact are key personal requirements.

The candidates will be required to live in Abu Dhabi on married or single status. The remuneration package offered includes a substantial salary, transport allowance, first class furnished accommodation inclusive of all service, 45 days leave per annum, annual return air fares to place of origin, free health care, assistance with education of dependent children and a substantial terminal gratuity. Salary and benefits are at present free of all taxation.

Please send full career details to:—
The Director,
18th Floor,
99 Bishopsgate,
LONDON
EC2M 3XD.
Interviews will take place in London in July or August, 1985.

EUROPE · MIDDLE EAST · AFRICA · FAR EAST

To be quite honest, you won't succeed as an International Financial Consultant unless you have the right background

High tax-free incomes are being earned by British and other expatriates in many parts of the world. Most of them are keen for advice on how best to invest and maximise these assets, and they naturally prefer to seek it from people they can trust and respect.

People such as Finexco's Financial Consultants. Their expertise, allied to total integrity and professionalism has enabled us to grow to become one of the world leaders in this fast expanding specialist market in less than five years.

Such is the demand for our services that we now need to add to our elite team of International Consultants.

We are looking for people whose background of consistent professional achievement has won them respect in the business community; people with plenty of self-confidence, imagination, a streak of independence and a constant desire for fresh challenge. Probably not less than 30, your acumen, authority, and ability to negotiate are more important than specific experience of international finance, although this would of course be a considerable asset, as would a second language. Our specialist training is acknowledged to be one of the best in the profession.

It will prepare you to go wherever the market is (and that could be anywhere in Europe, the Middle East, Africa or the Far East) and reap very high rewards commensurate with your success. This is without doubt an exceptional opportunity with a true Blue Chip company.

Please write, enclosing a full CV, to H E Gane, (Ref: 318), Whites Bull Holmes Ltd., 63-66 St. Martin's Lane, London WC2N 4JX.

FINEXCO

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Saudi Arabia — £tax free package

Our client is a major well established Banking institution which is jointly owned by Saudi Arabian and international interests. Due to its continual development the following executive personnel are required:

Marketing Executive

Prime responsibilities will be the preparation of annual marketing plans to ensure that volume of business and profit targets are met, together with the initiation of research aimed at improving the Bank's products, services and marketing methods. Will also supervise the identification of new business and potential new borrowing customers, as well as preparing industry surveys, reports and forecasts for senior management.

Substantial relevant experience in a major Banking group is essential and the ability to communicate in Arabic would be a distinct advantage. Ref. B.1178/2.

Deputy Manager – Inspection

Major function will be to assist the Chief Inspector in the day-to-day control of the Inspectorate – particularly the internal audit section. Other responsibilities include the supervision of area auditors together with the maintenance and amendment of the relevant audit programs. Also liaise with the Senior Travelling Inspectors, the Bank's lawyers and the various branches.

Candidates must have substantial experience gained as Accountant of a large branch, ideally involved with facilities work, and should have the independence and communications ability to manage staff effectively. Previous Middle East experience would be advantageous. Ref. B.1178/3.

An attractive tax free compensation package is offered commensurate with qualifications and experience. Other benefits include paid annual leave with air fares for self and dependents, free medical cover and life insurance etc. Two year renewable contracts on married status.

Please write – in confidence – with full details, quoting relevant reference, to F. Bishty, **HAY-MSL Middle East, 52 Grosvenor Gardens, London SW1W 0AW.**

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Tax-Free Opportunities in Saudi Arabia

IAL is a major international group who are currently assisting the Saudi Arabian National Guard to recruit staff for the prestigious King Fahad Hospital in Riyadh.

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***c£19,200pa tax-free**

The work will include organising and directing General Ledger entries, reviewing monthly trial balances, developing new records systems, and analysing schedules and accounts for interim, monthly and annual reports.

You'll be a fully qualified Acountant, ideally with a business studies qualification and have at least 5 years' experience, 2 of which should have been in a supervisory role. Hospital experience is desirable. Ref. F228/01.

Cost and Price Analyst
***c£19,200pa tax-free**

To review the operations of on-site and off-site contractors, determining capability and performance. You'd also review the termination of all sub-contracts, assuring performance and verifying payments.

You'll need to be fully qualified with five years' experience in cost and price analysis or a related field. Some knowledge of US Defence Acquisition Regulations (DAR) or Federal Procurement Regulations (FPR) is desirable. Ref. F228/02.

*Salaries are at a conversion rate of £1=SR4.5595.

These are accompanied positions and in addition to the tax-free salaries, there is a comprehensive benefits package including free accommodation, generous holiday with flights to the UK and excellent sports and leisure facilities.

For further details, telephone or write to the Recruitment Executive (BDG), quoting appropriate reference.

IAL **Manpower Services**
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Based in Hong Kong, he will support our sales departments in their efforts to penetrate existing and to open up new markets.

Preference will be given to applicants who are qualified electronics engineers specialising in telecommunications and who have sales experience and a knowledge of the appropriate marketing channels for public and in-house communications systems in the Far East.

In addition, applicants should have experience in dealing with public authorities and have a proven track record in international trade.

An attractive salary, together with comprehensive social benefits, will be offered for this highly responsible position.

The successful applicant will undergo a training period of approximately six months in Switzerland. Please send your letter of application and c.v. to HASLER Ltd., Personnel Dept. A, For the attention of Mr. P. Burkhalter, Belpstrasse 23, CH-3000 Berne 14, Switzerland. Tel: 031/65 26 72. Telex: 32413 HAG.

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They wish to recruit an experienced young officer (age c 26-30) for their Euroloan operations for international clients. Candidates should be graduates, fluent in German (a good command of another continental language would be helpful) with good credit analysis training and some marketing experience, preferably in a Merchant Banking environment.

As one of Austria's major commercial Banks, First Austrian has a strong trade finance content to its international business and knowledge of that business would form a useful part of candidate's experience.

An attractive salary is offered together with ample opportunity to travel on Bank business.

Please contact DAVID GROVE
Consultant to the Bank

DAVID GROVE PARTNERSHIP
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Leader of the French leasing sector, is expanding its international activities in conjunction with its parent company, Banque Indosuez, and is creating two new job positions for:

Executives in charge of international projects

They will report to the International Director and their responsibility will at first consist in following the development of newly established financial companies abroad, in conducting projects and in negotiating agreements. These activities will lead very rapidly to a management responsibility of overseas company.

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47 bis, avenue Hoche 75008 PARIS

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Substantial Tax-Free Package

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Experience in the credit card industry is essential; supervision of a mixed-nationality group in an overseas location is a distinct bonus. Job demands will be high; prospects in terms of responsibility and rewards are considerable.

A substantial tax-free salary and benefits package will be negotiated which will include free furnished accommodation, private transport and paid annual leave.

Please send full c.v. or telephone: Michael Nagle FCA, Saba and Nagle International Ltd., 23 Pembridge Square, London W2 4DR. Tel: 01-221 2996.

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An international retail business with multiple outlets in Amsterdam invites applications from persons able to take overall responsibility for our Dutch operations. The position calls for shrewd business acumen, the ability to manage and motivate staff and to take responsibility for profitability. A unique package will be structured for the person able to demonstrate their ability to fill this very important management role.

Write to Box A9026, Financial Times
10 Cannon Street, London EC4P 4BY
Ref. GS

Accountancy Appointments

Commercial Accountant

£ neg. + Car **N.W. London**

Laskys is the retail arm of the successful blue chip, Ladbroke Group and has expanded over the past few years to become one of the market leaders in audio/visual products, with a turnover in excess of £60 million.

We are now seeking a newly qualified Accountant with commercial acumen who wishes to develop a career in a fast-moving industry. *Based at our Head Office in Hendon you will have an excellent under-*standing of management control techniques, a willingness to develop and implement such controls, an ability to communicate at all levels *and a willingness to travel to any of our 50+ stores.* Experience of fmcg will be an advantage but is not essential.

The rewards include an attractive salary, excellent benefits package, experience in working with a highly professional management team and exposure to all facets of a major retailing business.

Please write with full personal and career details to Michelle Schroeder, Personnel Manager, Hardman House, The Hyde, London NW9. Tel: 01-200 0444 ext. 235.

LASKYS

The Retail Division of the Ladbroke Group

Financial Executive

Herts ***c£30,000 + car + benefits***

An opportunity has arisen for an ambitious and dynamic senior accountant, who is keen to make a major impact and be involved in the corporate development of an organisation

Our client is both well established and renowned in the financial sector. They currently seek a Chief Financial Officer who, in addition to managing a significant accounts department, will be responsible for statutory and management accounting, reviewing and enhancing systems and, as a member of the Executive team reporting to the Chief Executive, contribute towards corporate planning.

Candidates should be qualified accountants with experience at a senior level gained in either industry, commerce or the financial sector and of particular importance will be the need for experience in management accounting and costing. The successful candidate will have the personality, drive, self-confidence and business acumen to play a major role in the organisation's future development.

The excellent benefits will include a salary (negotiable around the indicator shown), company car, pension, plus subsidised BUPA and mortgage facilities. Relocation assistance will also be provided if appropriate.

Candidates should apply in confidence enclosing a full CV and quoting reference MCS/6054 to Alannah Hunt, Executive Selection Division, Price Waterhouse, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse

Business Needs Experts.

Accountant Merchant Banking

South London **c.£20,000 + Car + Benefits**

Our client, a leading merchant bank, is seeking a Deputy Chief Accountant (Designate) as a result of retirement of the current jobholder in two years time.

The successful candidate will be a Chartered Accountant, ideally in his or her mid 40's, and will have recent banking experience. Reporting to the Chief Accountant, the person appointed will be responsible for the preparation of all aspects of financial and management accounts and will be involved in the bank's ongoing computerisation project. In addition, he or she will be the bank's adviser on VAT matters and a detailed knowledge in that area is essential.

This is an interesting appointment based at the bank's administrative headquarters and the attractive remuneration package will include substantial profit sharing, mortgage assistance and other benefits.

Please write in confidence, enclosing career details and quoting reference R4200/L, to Valerie Fairbank, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, London EC4V 3PD.

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This is an ideal opportunity for a qualified accountant, aged 28 to 34 years to join a growing concern which can certainly offer excellent prospects for future career development. *Previous experience within shipping/freight forwarding is preferable, but not essential.*

Written applications including up-to-date *curriculum vitae* to be forwarded to Robert N. Collier or Neil Gillespie at our London address quoting reference number 5267A.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
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113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
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DLA

Accounting Development

Oil Industry **Aberdeen**

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Total is committed to the highest standards of computer system development utilising state-of-the-art financial and business related systems based on an IBM mainframe. Your initial responsibilities will include analysis of operational requirements, preparation of design specifications, systems testing and user documentation. Previous experience in a development role would be an advantage.

Probably aged around 27-35, you will be a qualified Accountant and have experience of integrated accounting and cost reporting systems *in a modern computerised environment.* As a rapidly expanding North Sea operator, career prospects within Total are excellent.

As part of a multi-national group, we offer an attractive index-linked salary and a comprehensive benefits package including generous relocation assistance.

Please telephone for more information and an *application form, or send a detailed CV to:*

Paula Feathers, Training & Recruitment Officer,
Total Oil Marine plc,
Crawpeel Road, Altens Industrial Estate,
Aberdeen AB9 2AG.
Tel: (0224) 875555 ext. 3560

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They seek a multi-lingual graduate ACA to be sited within commuting distance of one of their UK locations. The role is one of review of overseas and UK operating divisions and will expose you to complex worldwide information systems, US and European reporting requirements and globally tight reporting deadlines/internal control.

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Applicants should write, enclosing a comprehensive c.v., to Adrian Wheale ACMA, ACIS at Michael Page Partnership, St. Augustine's Court, 1 St. Augustine's Place, Bristol BS1 4XP, quoting ref B8039.

MP

Michael Page Partnership
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Group Audit Manager

Food Industry

Reading Area

to £20,000 + Car

No longer is internal audit regarded as being merely the watchdog of an organisation. Today enlightened companies are greatly enlarging the traditional role of the internal audit department and regarding it as a key contributor to their prosperity and success. Our client is such a company.

With a turnover approaching £90 million they are one of the major manufacturers and retailers in their sector of the Food Industry and number most well known High Street names amongst their customers.

They are keen to maximise the full effectiveness of the audit function and wish *to recruit an able Group Audit Manager to undertake this challenging role.*

An A.C.A. or A.C.C.A. qualification is essential and candidates must have *indepth audit experience of computer-based systems in either the profession* or industry. Age is not a critical factor provided you can demonstrate a high level of drive, initiative and commercial awareness.

An attractive salary is offered depending on age and experience, together with excellent benefits and good career prospects within this acquisitive-minded group.

Please send concise details, including current salary and daytime telephone number, quoting reference C2023, to W.S. Gilliland, Executive Selection Division,

tb

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

NATIONWIDE HOSPITALS PLC

GROUP ACCOUNTANT

c. £16,500 + Car, Pension and Medical Insurance

We are a leading company in the private medical and continuing care fields. Current and proposed expansion means that we need to strengthen our management team by recruitment of a qualified accountant.

In addition to supervising our accounting the successful candidate, who will probably be in his early 30s, will be responsible for all financial planning, the introduction of computerised management systems for the Group budgetary controls and forecasts.

Prospects are excellent in this expanding Group and candidates must be willing to travel. The position will be based in Winchester where the Group will shortly be relocating to new offices.

Apply by letter, enclosing curriculum vitae, to:

The Managing Director
NATIONWIDE HOSPITALS PLC
Crown Court, 1 East Borough, Wimborne
Dorset BH21 1LP

EUROPEAN AUDIT FOR U.S. WORLD LEADER

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This major U.S. Group is one of the largest and most successful companies in its field, with ambitious plans for further expansion linked to continued and substantial investment in new product development.

Internal promotions coupled with increasing demands on the European Audit function have resulted in the need to recruit a number of high-calibre qualified accountants aged 24-32 to join an established team based in the U.K. as:-

Audit Manager c.£20,000 + car
Senior Auditors £13,000 to £15,000 + car

Working on varied and challenging assignments, you will provide management with independant reviews of activities within their European companies investigating business and financial operations, systems, and controls.

All appointments offer ideal platforms for career development to senior management status in the U.K. or internationally and are geared to individuals with the ambition to succeed in this fast-moving group, highly regarded for its ability to promote from within.

For the **Senior Auditor** roles, you will be recently qualified with experience in a larger professional firm or multi-national group. For the appointment of **Audit Manager**, you will have significant audit, man-management and organisational *experience, ideally gained in a progressive commercial environment. You will also* have the independance and flexibility to enjoy spending in excess of 50% of your time outside the U.K.

*For a detailed and confidential discussion, please telephone **Neil Wax**, Consultant to the Company, on **01-387 5400** (out-of-hours on 0923 43033) quoting Ref NW/5000 or write to:*

FINANCIAL SELECTION SERVICES

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TELEPHONE: 01-387 [illegible]

HERON

FINANCIAL DIRECTOR DESIGNATE

NORTH-WEST LONDON

c£22,000 pa + company car

Heron International is one of the United Kingdom's fastest-growing companies. The group is renowned for demanding a high level of commitment and exceptional standards of performance from its management team. It is also well-known that 'fast track' promotion is the reward for success.

An opportunity has arisen to join the Heron subsidiary which specialises in Fleet-management and Contract-hire packages for commercial users —

HERONDRIVE

The company epitomises the Heron style — dynamic, aggressive, professional, profitable and expanding.

The person appointed will be aged around 30, male or female, a Chartered Accountant and, *ideally*, a business graduate; experience will have been gained in commercial organisations of outstanding operational and financial pedigree.

In addition to assuming responsibility for the general accounting function, the successful incumbent will have specific responsibility for assisting the Managing Director in the design and implementation of a new computerised accounting system.

The financial and fringe benefits rewards package is outstanding and, subject to satisfactory performance, an appointment to the board will be made.

Applications in the form of a brief but meaningful cv should be sent to Brian Hodges acting as advisor to the Company at

Brian Hodges Associates

MANAGEMENT CONSULTANTS · EXECUTIVE SEARCH · APPRAISAL AND TRAINING CONSULTANTS
Suite 3, 50-52 High Street, Epsom, Surrey KT19 8AJ

TECHNOLOGY

EDITED BY ALAN CANE

Throwing light on computers of the future

Peter Marsh on the superfast optical cc mputers for the 1990s

THINK OF a small box containing millions of tiny slivers of material each of them transmitting light rather like a cinema projector. The system is interlinked so that light circulates continuously between the different projectors, each of them modifying signals before transmitting the light again.

This is a crude description of the very fast optical computers envisaged for the 1990s by a small group of researchers in the U.S. and Western Europe.

By flashing on and off in a coded sequence, each projector would send instructions to one of its counterparts.

The complete system could act as the processing switches analagous to the silicon chips in today's computers. The difference is that messages would be sent not with relatively slow-moving electrons but by beams of light travelling at 300,000 km a second.

Furthermore, the optical computer would deal not with one instruction at a time—as in today's computers—but would be capable of processing perhaps 1m sets of messages simultaneously.

The result could be a computer that works 1,000 to 100,000 times more quickly than the fastest electronic device in operation today.

Such machines could be used in a range of industrial areas, for example very fast analysis of TV pictures in inspection tasks on production lines, the development of "seeing" robots and in "intelligent" systems that, for instance, analyse faults in complex equipment such as nuclear power stations.

Probably further ahead in the research than any other group is the Optical Circuitry Co-operative, a group of scientists at the University of Arizona in Tucson which is funded by several leading U.S. companies.

The co-operative, set up last October, is financed over three years by $150,000 each from Celanese (the synthetic materials manufacturer), Du Pont, GTE, IBM, Lockheed, Motorola, Sperry, 3M TRW and AMP (an optical fibres company).

The U.S. National Science Foundation and the state of Arizona are contributing $150,000 and $200,000 respectively.

Professor Hyatt Gibbs, director of the co-operative, says the development of working systems is still some years away. But he thinks that in the 1990s optical techniques could complement the electronic processing systems used in conventional computers.

For instance, optical computing steps could be harnessed in a small part of a large computer to work on a difficult problem that involves massive "number crunching." The optical processing segment would then need to be linked with a conventional electronics based system.

In Britain, a group under Professor Desmond Smith at Heriot-Watt University in Edinburgh has developed devices that could be the prototypes of the switching circuits used in optical computers of the 1990s.

Prof Smith's group is due to join a research consortium established in the U.S. as part of the Department of Defense's Strategic Defence Initiative, a $26bn programme to establish the basis of an anti-missile system that would depend on large banks of superfast computers.

The Edinburgh group is due to work with a set of institutions including Stanford University, the University of Alabama, Carnegie-Mellon University in Pittsburgh, the Massachusetts Institute of Technology and the Battelle Institute. The Pentagon is funding this consortium with $9m over three years.

Other groups working on optical computing in the U.S. include Honeywell, Hughes Aircraft and Bell Laboratories. A team at the latter (one of whose members was Prof Gibbs of the University of Arizona) observed in 1976 a scientific phenomenon known as optical bistability which is essential to the operation of optical computers.

The phenomenon concerns the way that a beam of light transmitted through a material is changed by the optical properties of the substance, a process known as refraction.

Prof Desmond Smith with elements of his prototype

An everyday example of refraction is the way light is slowed down as it passes from air to water, resulting in a blurring of images viewed through the water.

In materials that demonstate optical bistability, the refraction of a ray of light sent through the material varies in relation to the intensity not in a linear fashion but in a series of discrete steps.

An optically bistable substance has two stable regions in which the transmitted intensity hardly varies with changes in the intensity of the ray of light.

As a result of this behaviour, a beam channelled into such a substance can trigger a large gain in intensity of the transmitted ray for only a small increase in the intensity of the incoming light beam.

Banks of these kind of materials could be used instead of transistors in ordinary computers, each of which act as an on/off switch to streams of electrons. Optical transistors—for which Prof Smith at Heriot-Watt has coined the name "transphasor"—could be made into sets of electronic circuits or "logic gates" that process instructions in exactly the same way as in electronic computers.

Laser light from a source would travel between the different transphasors in the system in a complex path, weaving to and fro between perhaps millions of optical elements in a microscopic version of a discotheque laser light show.

Light beams, being composed of neutral photons, do not influence each other in the way that electrons do, repelling each other because of their negative charges.

So millions of separate light beams could travel through an optical computer (each focused by high-accuracy lenses and each carrying signals for entirely separate processing steps) without disturbing each other.

Work in research laboratories is aimed at finding materials that are optically bistable at room temperatures (the effect is more pronounced at very low temperatures near to aboslute zero or −273 deg C, but this introduces obvious practical difficulties) and which require for their activation only small amounts of power.

In a working optical system too much power consumption would generate vast quantities of heat that would melt the components.

Faster

The Heriot Watt team is working on optical transistors based on indium antimonide, a compound semi-conductor. Other suitable materials include zinc selenide and zinc sulphide. The group is working with carbon-dioxide lasers made by Edinburgh Instruments, of which Prof Smith is chairman.

In the U.S., Prof Gibbs in Arizona is using crystals of gallium arsenide, which respond to laser light with a wavelength of about 0.9 micrometres. He has built circuits of optical switches measuring ten micrometres square that are etched, using lithographic (pattern-printing) techniques borrowed from conventional semi-conductor production, on relatively large sheets of gallium arsenide.

Such switches respond to light signals in 1 to 3 picoseconds, some 1,000 times faster than switches based on transistors. (One picosecond is one thousand-billionth of a second). Each light signal would contain pulses that are either on or off and so constitute a binary signal of the kind digested by ordinary computers.

The switches built by Prof Gibbs recover their characteristics in a further 200 picoseconds, which is the time before they can receive and react to another coded ray of light.

Smoke monitor will help curb pollution

BY PETER MARSH

COMPANIES in the chemical and energy industries could be helped by a device that monitors smoke from factory chimneys.

The equipment, developed by the U.S. Government's Sandia National Laboratories in Albuquerque, New Mexico, could mean that new ways of generating electricity from coal become commercially viable.

The device classifies smoke particles according to size, allowing workers to test the efficiency of new combustion systems and check whether the emitted gases produce pollution.

It can also be used in any industry that needs to monitor the output from chimneys, either to satisfy pollution requirements or because impurities in the atmosphere could impede its own production processes.

Customers for the equipment could include hospitals, foundries, microchip plants, kilns and companies that test or make gas turbines.

The system was produced at Sandia's combusion research facility, aided by a grant from the U.S. Department of Energy. It includes a special microbalance made by Rupprecht and Pataschnick of Voorheesville, New York.

The microbalance, which looks like a champagne glass, is clamped at its mouth to a base plate. A filter attached to the narrow end oscillates between two electric plates.

The gases pass through the wider end of the instrument. Any particles collect on the filter, making it heavier and causing it to oscillate at a different frequency.

The oscillation is measured electronically while a set of fibre-obtic cables transmit pictures about the build-up of particles on the filter. The information is sent to a computer for analysis.

According to Dr James Wang, a Sandia scientist, the system provides almost instantaneously information about gases as they are emitted. As a result, workers are warned of any changes in the process that, for example, may lead to a surge in gases causing a threat of pollution.

Sandia engineers have tried out the system as a way of montitoring the performance of an industrial boiler.

Computers to keep track of costs on building sites

COMPUTERS are helping a civil-engineering company based in Northampton, England, to keep track of costs on its building sites.

Kimbell Construction has joined with researchers at the University of Aston in Birmingham to produce programs with which site managers and foremen can analyse information about, for example, volumes of concrete consuemed per week and payments to labourers and subcontractors.

The software, which run on Apricot personal computers, has ben used on three building projects in Cambridgeshire and Hertfordshire. Two were road building schemes while the other involved a new sewage plant.

Mr Douglas Gibbs, a director of the £8m-turnover Kimbell, said the hardware gives people on site instant access to an array of information about building work and so makes for better planning and fewer delays.

The construction industry in recent years has done much to tighten up on costs andthe flow of materials on building sites, but acknowledges that computers can greatly help in this process. Conventionally, vital information is written on scraps of paper which can be mislaid in the hurly burly of building operations.

The work with Aston's department of civil engineering and construction is partly financed by a teaching-company grant fromthe Department of Trade and Industry and the Science and Engineering Research Council.

Teaching companies are projects partly supported by the Government which aim to bring together companies and academic establishments.

PETER MARSH

Sensor for vehicle navigation

SIEMENS has developed a sensor which locates its position by detecting constant magnetic fields.

The sensor has already found two applications. One is in Siemens Autoscout car navigation system now undergoing trials and the second is in oil drilling where the sensor can detect any deviation of the bore rod from its ideal path.

The sensor consists of two iron-core coils wound on a new type of soft magnetic material. The electric current in the two coils changes in accordance with their position with respect to the Earth's magnetic field.

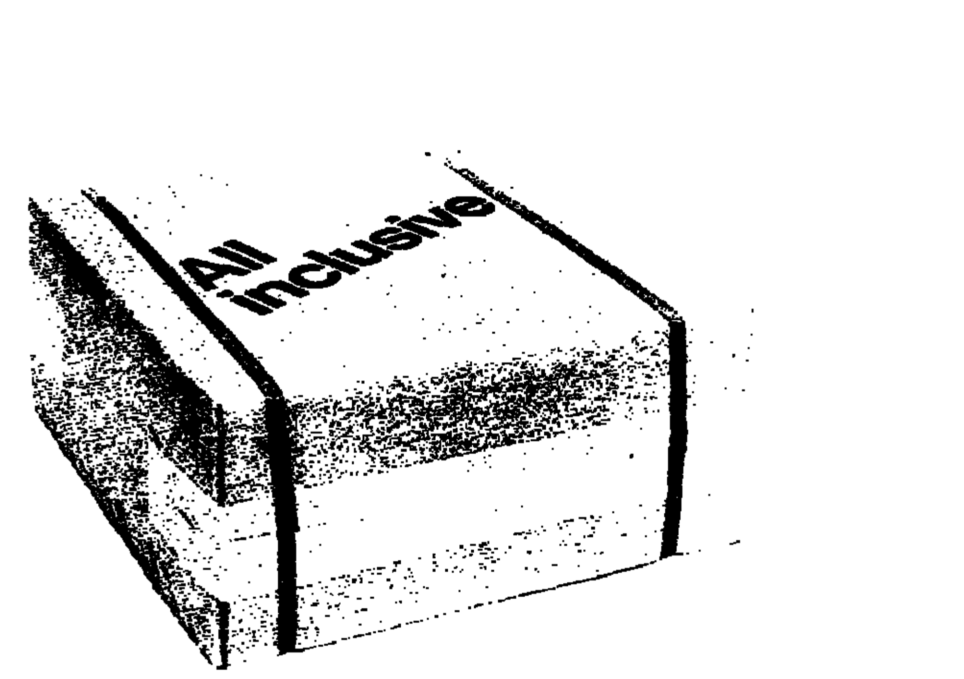
By measuring these changes, the position of the sensor can be determined. For example, in the Autoscout experiment, the sensor continuously measures the angle between the longitudinal axis of the vehicle and the Earth's magnetic field.

Bid to outwit car thieves

CRANFIELD Product Engineering Research Centre is developing a device which enables police to identify stolen cars even after they have been disguised.

The device is fitted securely in the vehicle and stores electronically a unique and unalterable number — more than 100 million variations are possible. It can be read with a portable interrogator unit.

The device is aimed chiefly at the executive car market. Manufacturers' co-operation will be required if it is to be fitted widely. The police and the Home Office are said to be interested.



Accountancy Appointments

Financial Systems Development Manager

South Coast — **c£17,000+car**

This new appointment, reporting to the Managing Director, is necessitated by planned growth of a well established and profitable financial services group which has recently strengthened its senior technical team.

The person appointed will review and refine accounting systems, develop new group computerised cost and total financial control procedures on both a departmental and individual project basis. Previous experience of reporting to an American parent company would be an advantage.

This is an attractive opportunity for a creative Chartered Accountant to join a dynamic, expanding, profit conscious business offering personal career development prospects.

To the salary, negotiable as indicated, will be added a subsidised mortgage arrangement and private medical plan. Relocation assistance will be provided, where appropriate.

Please send adequate particulars, in confidence, to John Finnigan of:

John Finnigan International
Management Consultants
c/o 44 Wellington Street, London WC2E 7DJ.

Financial Management
Major UK retailing company

Thames Valley — **£23,000 + Car**

An impressive record of growth (annual turnover £250m) and the introduction of new accounting systems has created the need for a senior financial manager at the corporate headquarters of this leading fmcg retailing company.

Controlling some 70 personnel, this managerial role will encompass responsibility for broad based head office and mainstream financial accounting in addition to accounts payable control.

A qualified accountant, aged 30-40, you will ideally have a retail background with an in-depth knowledge of highly computerised accounting systems. A strong technical bias, proven man management skills and the ability to communicate effectively at all levels of seniority are pre-requisites for this challenging position.

The highly attractive salary package will include a company car, BUPA, executive pension scheme and generous relocation expenses where appropriate. Prospects for promotion are extremely promising for the applicant capable of demonstrating a high level of performance and personal commitment.

Applicants should write to Nigel Bates FCA, Executive Division, enclosing a comprehensive c.v., quoting ref. 260, at 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

LOUGHBOROUGH UNIVERSITY OF TECHNOLOGY

MANAGEMENT ACCOUNTANT

The University has created a new post of Senior Assistant Accountant to strengthen its financial administration, particularly in the rapidly-expanding field of externally-financed research and related activity. This is a challenging oportunity requiring an imaginative approach to a wide range of high-level demands for financial and management accounting services. A professional qualification is essential and candidates will need to demonstrate substantial experience in a relevant area. Previous university experience is not essential.

Salary will be within Administrative Grade III (£14,135 to £17,705 but subject to an expected increase from 1 April, 1985). Application forms and further particulars are available from the Registrar. Closing date 1 July, 1985.

Loughborough Leicestershire

INFLUENTIAL ROLES IN COURSE DEVELOPMENT

Accountancy and Internal Audit
From £10,480 to £17,485 (under review)

The Civil Service College is instrumental in ensuring that management level civil servants receive the training to carry out their duties to maximum effect.

Challenging senior opportunities now exist for appropriately qualified professionals to make an important contribution to course development in financial management and internal audit within the Civil Service. Candidates will demonstrate extensive knowledge of their subject and a well-developed ability to communicate complex concepts clearly and authoritatively. Openings are in the following areas:—

FINANCE & ACCOUNTANCY

Principal
– Management Appreciation

To design, develop and direct courses for senior managers who require an understanding of the principles and techniques of financial accounting, cost and management accounting and government accounting, especially in the context of managing Government Departments.

SEO - Practitioner Courses

Responsible for the preparation and presentation of lectures on accountancy subjects covering basic techniques and the practical application of principles.

INTERNAL AUDIT

Principal

To design, develop and direct Systems Audit courses covering basic concepts and techniques for trainee internal auditors and Audit Management courses for audit supervisors and managers.

SEO

To prepare and present lectures on internal audit covering such topics as internal control, systems approach, audit practice and techniques, audit management and operational techniques. Courses are geared to central government standards, departmental requirements and, if appropriate, examination requirements. NB: There is one vacancy in Internal Audit. Level of appointment will depend on experience.

Successful candidates will be appointed as permanent members of the Government Accountancy Service, with the opportunity for transfer to other accountancy work after 3-5 years' lecturing. The minimum entry age is 28, although younger candidates with exceptional qualifications may be considered. Applicants should be members of one of the following bodies:— ICMA, CACA, CIPFA or ICA (England, Wales, Scotland, Ireland). For *all* posts, teaching experience, ideally in adult education, is desirable.

The salary range (under review) for Principal posts is £12,895 – £17,485 and for SEO posts £10,480 - £13,140, (in addition £1300 Inner London Weighting where applicable). Posts will be based either at the London centre in Belgravia or at the College's residential teaching centre at Sunningdale Park, Ascot.

RELOCATION EXPENSES MAY BE AVAILABLE.

For further details and an application form (to be returned by 28 June 1985) write to Civil Service Commission, Alencon Link, Basingstoke, Hants RG21 1JB, or telephone Basingstoke (0256) 468551 (answering service operates outside office hours). **Please quote ref: G/6560/1.**

The Civil Service is an equal opportunity employer

CIVIL SERVICE COLLEGE

FINANCIAL ACCOUNTANT

Our London Market insurance operations are developing and we are now seeking an Accountant to take responsibility for managing the financial accounting function and for the implementation and further development of a new computerised accounting system.

Candidates must possess a recognised accountancy qualification together with several years' experience in commerce or industry. This must include familiarity with computerised systems but previous experience in the insurance industry is not essential.

Equally important are the personal qualities that will enable the person appointed to liaise effectively at subsidiary Board level and to lead and motivate staff, working within tight schedules and identifying possibilities for improvement.

This position is based in our Croydon office and the salary will be not less than £14,000 per annum, in addition to which are excellent fringe benefits including a mortgage subsidy and a non-contributory pension fund.

If you would like to be considered please send full career details in confidence to: Mr. J. Atkinson, Group Assistant General Manager, Minster Insurance Group, Minster House, Arthur Street, London EC4R 9BJ or telephone our 24-hour Answering Service on 01-283 2792 for an application form.

MINSTER INSURANCE GROUP

John Govett & Co. Limited

John Govett & Co. Limited is an independent Fund Management Company of long experience, currently managing £1 billion of assets. Continuing expansion has created the following positions, all of which are open to men or women.

Future Finance Director

We need a well-qualified, versatile accountant with commercial sense and administrative ability, aged between 28 and 40. You would work under the present Finance Director with a view to replacing him on his retirement. The financial package would include a salary of around £30,000.

U.K. Fund Manager

We are looking for a U.K. fund manager to work under the head of the Investment Department. You should be between 25 and 34 and have had experience of fund management, and have good City contacts. Knowledge of European markets would be useful. Salary of between £20,000 and £35,000 depending on previous experience.

Marketing

We will require the successful applicant to market our investment management services to pension funds and charities. A knowledge of the industry and of marketing desirable, but ability and personality are important for this opportunity in a fast changing market. Salary will match your experience with large incentives if successful.

If you are interested in any of the above positions, please write and include a C.V. to:-

Dwight Makins, John Govett & Co. Limited, Winchester House, 77 London Wall, London EC2N 1DH.

All enquiries will be treated in the strictest confidence.

FINANCIAL CONTROLLER

London — **£18-25K + Car**

Our client is a US f.m.c.g. brand leader with international trading activities throughout the World.

Due to sustained growth they wish to recruit a young, qualified accountant as a key member of their Mediterranean executive team.

You will be responsible for financial reporting to the corporate centre. Responsibilities include the analysis of high value ad hoc projects, cash flow forecasts, budgeting and the provision of management information.

Aged 26-32, you will be self-confident, articulate with a good track record and strong entrepreneurial skills. Salary will depend upon age and post qualification experience.

Your name will not be released until we have briefed you and you have given your consent. Please write enclosing full CV to me, John Hardy, Consultant to the Company. All details are handled in strict confidence.

Business Development Consultants (International) Ltd
63 Mansell Street, London E1 8AN.

BDC

CONTROLLER

A major petrochemical group seeks a young, ambitious accountant with proven management ability. Supervising a small professional staff, responsibilities will include recommending financial policy to the Managing Director, implementation of a new financial reporting system and maximising return on short term investments. Applicants should be qualified accountants with at least three years commercial experience and a working knowledge of Italian. Ref: CW.

W. LONDON — **c.£20,000 + Car**

FINANCE MANAGER

A leading US pharmaceutical company can offer excellent career prospects to an ambitious, commercially aware accountant. Controlling all financial aspects of overseas operations in Africa, the Near East and Eastern Europe, key responsibilities include forecasts, budgets, review of business methods and assessment of operating performance. Candidates should possess good communication skills and a proven track record, preferably within a US multinational. Ref: GR.

HERTS — **£17,500**

GROUP ROLE

Our client is a major group manufacturing and distributing products for the home improvement and furniture industries. A young, enthusiastic qualified accountant is required to strengthen the Head Office function and to assist with future expansion. This is a new position with key responsibilities for group accounting, forecasting, treasury analysis and may require visits to various operating units. Ref: SW.

CITY — **c.£16,000 + Car**

ROMAN HOUSE, WOOD STREET, LONDON EC2Y 5BA. 01-638 5191

ROBERT HALF
FINANCIAL RECRUITMENT SPECIALISTS
LONDON · BIRMINGHAM · NEW YORK & 82 OTHER CITIES WORLDWIDE

Group Financial Accountant

London — ***c£30,000 + full details***

Guinness PLC, a dynamic and expanding international Group involved in Brewing world-wide, Retail, Health and Publishing, wishes to recruit an outstanding financial Manager to the position of Group Financial Accountant, an opportunity that has arisen due to internal promotion.

Reporting to the Group Chief Accountant, the successful applicant will be responsible for all aspects of Financial Accounting, Policies and Procedures throughout the Group and for the preparation of the Group's published accounts.

Preferred applicants will be those aged 30 to 40, with a recognised qualification and post-qualification experience with a major firm of accountants plus practical expertise gained in a large industrial, publicly quoted company and familiarity with Head Office reporting procedures. They must be highly motivated, prepared to work to tight deadlines, deal successfully with senior management and motivate supporting personnel.

This appointment offers excellent experience and the opportunity to develop one's career in a large and expanding Group and thus, the post attracts a correspondingly attractive compensation package including car, profit share and bonus. Removal costs will be reimbursed if necessary.

Candidates should write in strictest confidence enclosing a fully detailed CV plus current salary and quoting MCS/7164 to
Michael R. Andrews,
Executive Selection Division,
Price Waterhouse, Southwark Towers,
32 London Bridge Street, London SE1 9SY.

Price Waterhouse
Business Needs Experts.

DIRECTOR OF FINANCE, KENT

Minimum £25,000 + Car + Stock Option

Densitron International is a rapidly growing International Electronics Marketing Company with subsidiaries in the UK, USA and Japan. Reporting to the Chairman, the Director of Finance will be completely responsible for managing and developing finance and data processing activities, including corporate treasury functions, inventory control systems and negotiations with corporate investors and bankers. As a member of the executive management group he or she will be expected to contribute significantly to the Company's overall development and profitability.

The successful applicant will be a qualified accountant or MBA in the 30-45 age range, with considerable international financial experience. Ideally this experience will have been gained in a fast moving marketing and distribution environment. Considerable emphasis will be placed on personal qualities – a manager and strong leader of people with a persuasive nature, able to influence and manage change in a rapidly expanding environment. This is an outstanding position providing an excellent career opportunity for an ambitious and talented Financial Manager. The attractive negotiable remuneration package includes re-location assistance and reflects the importance the Company places on this appointment.

Write in confidence with career details to:—
Mr. C. Hardcastle, Chairman
Taylor Miller Group,
Unit 4, Airport Trading Estate,
Biggin Hill, Westerham
Kent TN16 3BW

DENSITRON INTERNATIONAL

ASSISTANT FINANCIAL DIRECTOR

A Lloyd's Broker with international connections wishes to appoint an Assistant to the present Financial Director with a view to succession within three years.

Candidates must be qualified and between 35 and 45 with practical experience of Lloyd's broking and the insurance market. They must also have the financial flair to assist in creating opportunities to expand the group.

Practical experience in Data Processing will be essential.

Salary and benefits will be commensurate with the successful candidates qualifications and experience.

Write Box A8029, Financial Times
10 Cannon Street, London EC4P 4BY

West End CA

Requires young CA for general audit and professional work. No sex discrimination. Also, retired CA to undertake assignments on freelance basis.

Write Box A9032
Financial Times
10 Cannon St, London EC4P 4BY

INSURANCE ACCOUNTANT

Required by Lloyd's Insurance Brokers based in the City within the Marine Department.

Responsibilities include credit control/account reconciliation with involvement in management reporting and funds management.

Applicants must have had previous experience with Lloyd's Brokers and computerised systems would be an advantage.

Please write for further details enclosing C.V. to:

Mrs P.M. Hogsden
Harris & Dixon (Insurance Brokers) Ltd,
21 New Street, Bishopsgate,
London EC2M 4HH.

Accountancy Appointments

Financial Director

PPL

London — *£30,000+car & benefits*

PPL is the largest independent UK supplier of application software packages. The Company is expanding rapidly both by organic growth and by acquisition; turnover is now around £10 million. The Company is very profitable and plans a full stock market or USM listing by 1986.

The Finance Director will report to the Chairman and will be responsible for all accounting and reporting for PPL, as well as monitoring the financial performance of other group companies particularly those in North America and the Middle East.

Candidates should be qualified accountants, probably aged over 35, with experience of all aspects of financial management. In view of the Company's plans, the ability to negotiate at a senior level with City institutions is desirable.

The personal qualities needed to succeed in this dynamic working environment include determination and initiative with good communication skills.

Please reply to Julian Wolf in strict confidence with details of age, career and salary progression, education, qualifications, and daytime telephone number, quoting reference 1462/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

Financial and business administration director

to £60,000

C&L

With a reputation for technical excellence and innovative product development, *this British engineering group* is a market leader in its sectors of the international capital goods market. Turnover is in excess of £150 million with significant contributions from overseas subsidiaries.

Working closely with the Group Managing Director, your role will be far-reaching, with the emphasis on business and profit planning, financial appraisal and the performance monitoring of operating units worldwide.
Apart from responsibility for the co-ordination of financial affairs, you will be fully involved in the strategic planning administration and management of the group.

Aged from 40, applicants should be Financial Directors of major public manufacturing or engineering companies, working to a wide-ranging commercial remit, or, having held such a position, they may already have made the move into general management.

Please write, in complete confidence, enclosing a c.v., *to M C Ward*, Executive Selection Division, Ref: R405,

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

32 Farringdon Street
London EC4 4AQ

Chief Accountant

c.£17,500 — ***Central London***

Health screening and preventive medicine is an expanding sector which is led by BUPA Medical Centres. With a network of Health Centres spanning the country, we are a growing force in a fast-developing market.

As a direct result of promotion, we are now looking for a Chief Accountant. Someone who can confidently assume responsibility for the total provision of financial services to BMCL Management and the main Board as well as for the management of Medical Centre accounting functions.

It's a demanding role which calls for an able, qualified, or possibly part qualified, Accountant. A professional with proven management experience who can lead and motivate a team of eleven people as well as demonstrate a firm grasp of computerised systems accounting techniques.

The starting salary (which includes London weighting), career prospects and the comprehensive benefit package – including free BUPA and life assurance together with a mortgage subsidy after a qualifying period, reflect the importance of this senior management position.

Please telephone for an application form and further details, or write with a *full* c. v. *to*: Mrs. K. Youll, Personnel Manager, BUPA Medical Centre, Battle Bridge House, 300 Grays Inn Road, London WC1X 8DU. Tel: 01-837 6484.

BUPA
Medical Centre

AMES ADVERTISING

4A BIRKHEADS ROAD, REIGATE, SURREY RH2 0AR Tel REIGATE (073 72) 22491

Our client, a highly successful organisation whose technical innovations and profit progression over the last 10 years, have earned them an enviable reputation, requires a

FINANCIAL MANAGER

This is a newly created post based at their London office resulting from both recent and planned acquisition growth. Accountable to the Corporate Finance Director, the successful applicant's duties will include *financial accounting, taxation planning, treasury function and investment* appraisal.

Applications are invited from qualified Chartered Accountants, male or female, with a minimum of 3 years post qualification experience. The position would be most suitable for someone in the profession seeking *their first commercial appointment or someone around 30 years of age in* the commercial sector seeking a larger well diversified organisation with overseas interests.

The rewards for this post, which are in keeping with a successful progressive organisation, include competitive salary and company car.

All applications will be forwarded direct to our client, therefore, please enclose a separate list of companies to which your application should not be sent.

Please write in the first instance giving details of age, qualifications, experience and current salary to:

Ames Advertising (Ref: 5400/TF) 4A Birkheads Road, Reigate, Surrey RH2 0AR

Major Retail & Wholesale Group
FINANCIAL DIRECTOR

Herts/Middx Borders — **c£25,000 + Executive Car**

***Join the Board of a fast expanding Retail Group* ● Assume complete control of all Financial, Treasury & Administrative Functions ● Advise on Computer Applications ● Be an integral member of the Executive.**

Our Client: One of the U.K.'s oldest and more successful Retail Groups ● Well sited units in 40+ U.K. Towns ● Fast expanding with substantial *wholesale interests* ● *Second generation family* management now anxious to institute a profit improvement programme and growth phase ● The Group is cash rich and has a strong asset base; it is not geared.

Your Role: Reporting directly to the Deputy Chairman/Chief Executive, you will have complete *responsibility for* ● *Financial & Management* Accounting ● Treasury Management ● Introduction of an improved management reporting & appraisal pack ● Closely monitoring weekly performance ● *Budgeting & Variance reporting* ● *Introduction of* additional computer applications ● New Site viability assessments ● Counselling Retail & Wholesale companies management ● Generally being an integral member of the closely knit executive team, responsible for the evolution of the business.

Our Ideal Candidate: An ambitious and highly commercially orientated Chartered Accountant aged 28 yrs-40 yrs, with a sound knowledge of Retail operations. You will ● Enjoy responsibility ● Be a strong manager with a total preparedness to have total involvement ● Demonstrate the proven *expertise to introduce modern accounting methods* which are computer led.

Remuneration Package: A generous remuneration *package will be provided to include: High basic salary* + bonus + company car + pension + medicare + 4 weeks holiday.

***ACT NOW! To learn more, telephone or write (in the strictest of confidence) providing a* comprehensive curriculum vitae to the Board's Adviser: Mr. Michael A. Silverman (Director), on 01-388 2051 (24 hour answer phone: 01-388 2051) Quote Ref: 889**

MERTON ASSOCIATES (CONSULTANTS) LIMITED,
Merton House, 70 Grafton Way, London W1P 5LN
Executive Search and Management Consultants

Financial Controller

Manufacturing — *c.* £20,000
North West — + car

A substantial and successful privately controlled manufacturer of soft furnishings, located in an attractive part of North West England, is seeking to appoint a financial controller to play a key role in the future development of the business.

The initial priorities will be to take over responsibility for all aspects of the financial control function and for the further development of the accounting and management reporting systems and to steer through essential improvements to the company's computer-based manufacturing systems. In the longer run a wider management role is envisaged and an early appointment to the board is planned.

The position demands an experienced and capable accountant (preferably chartered) who knows how to apply computer systems successfully in a manufacturing environment and whose longer term aims are oriented towards general management. The probable age range is 33-40.

If you feel you meet these requirements, please write in confidence, setting out brief career and personal details to Mr. C. I. McBride, Executive Selection Division, Peat, Marwick, Mitchell & Co., City Square House, 7 Wellington Street, Leeds LS1 4DW, quoting reference number L/507.

PEAT MARWICK

AUDIT MANAGER
STOCKBROKING/SECURITIES

To complement its developing activity in the stockbroking/securities market the BAII Group wishes to expand its Internal Audit Department through the creation of a specialist position of Internal Audit Manager — Securities.

The successful candidate will have primary responsibility for the internal audit of all aspects of the Group's stockbroking/securities operations which, following deregulation, will play an increasingly important role in its UK activities.

Ideally, applicants should be aged between 28 and 40, hold an accountancy qualification and have excellent analytical and communication skills.

Additionally they will have gained practical experience of securities operations management and be fully conversant with the audit of such activities.

Salary by negotiation.

Applicants should apply in writing, with a full curriculum vitae, to:

The Director of Audit
Banque Arabe et Internationale d'Investissement Group
BAII Management Services EC
77 South Audley Street, London W1Y 5TA

FINANCIAL DIRECTOR
c £30,000 & CAR
CITY

My client, an established and leading Group in the Flat Glass Industry, has glazing contracting, glass merchanting and manufacturing subsidiaries mainly in the U.K., with corporate headquarters close to London Bridge.

As Financial Director, you will be part of the Group Board, a small team improving the efficiency and profitability of the Group.
Responsible for the accounting function and with total involvement on all aspects of financial policies, systems and planning, your entrepreneurial, business and decision making skills will be utilised to the full.

Candidates should have a manufacturing background ideally from the Construction or similar type industry and be well educated ACA/FCA's with boardroom experience probably aged 35 to 45.

Please write in strict confidence, enclosing a full C.V., to Bob Levine

RJL MANAGEMENT & RECRUITMENT CONSULTANTS
2, Beulah Close, Edgware, Middlesex HA8 8SP
Tel: 01-958 7343

RJL

FINANCIAL CONTROLLER

Our clients are a rapidly expanding computer company with offices in St. James and the Strand.

The company is looking for a qualified accountant with at least two years' experience in commerce, aged under 35 and currently earning not less than £14,000 per annum, to report directly to the managing director.

Responsibilities would include the review, improvement and control of existing systems both financial and administrative.

A working knowledge of computer-based accounting systems is essential.

Working conditions and prospects are excellent.

Please write, enclosing a detailed c.v., to:

PHILIPS ELL & GROSS
(Ref: MS/1021)
54 Welbeck Street, London W1M 7HE

Financial Controller

London — ***£21,000***

Our client is one of the largest financial services companies in the US, and desires a *quality financial* controller with strong data *processing skills, to head the* financial operations of its investment branch in London.

The role demands a great deal of flexibility and involvement in financial administration: development and operation of the existing computerised systems, the upgrading of management reporting, and a close interface with investment personnel will be important dimensions of this position.

Qualified accountants with a working knowledge of computerised systems are sought to fill this new and challenging position. Ideally, you will be a graduate, with at least three years post qualifying experience in finance, preferably in an investment house. The post required a highly motivated, self-starter with an outgoing personality.

Initial compensation for this position is in the region of £21,000. A bonus scheme, company car, *pension and benefits are anticipated.*

Applications should be made in confidence enclosing a full CV and quoting reference MCS/5037 *to* Barrie A Whitaker, Executive Selection Division, Price Waterhouse, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse
Business Needs Experts.

Financial Accountant

The City — **c.£16,000**

Dow Financial Services Limited is the holding company for a worldwide banking and financial group serving a broad based clientele in over 60 countries.

This high profile role, within a compact and professional accounting team, reports to the Group Financial Controller and involves considerable senior management liaison in relation to annual profit plans and control analyses.

Aged 25 – 30, you will be a recently qualified ACA with perhaps one year's commercial experience. Some practical knowledge of US accounting principles is essential and familiarity with personal computers would be advantageous.

Self-motivation, dedication and commitment will be among the personal qualities required for this demanding but well-rewarded position, and for the right candidate, there will be excellent prospects for promotion and international travel.

Applicants should contact Barbara Taylor ACA on 01-242 0965 or write to her at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY, quoting ref. L2040.

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow
Brussels New York Sydney

Accountancy Appointments

THE ACCOUNTANTS' CHOICE

Principal Posts

The Civil Service is unmatched in the impressive range of work it can offer qualified accountants. Their skills are instrumental in every sector of national government, so, not surprisingly the challenges and responsibilities are exceptional.

Opportunities now exist for experienced professional accountants to take up principal posts in the following areas:-

You will act as a Financial Advisor to the Inspectorate, providing advice on police service finance and setting up field tests to explore the practical application of the proposed financial information system. You will also assemble and interpret financial information on forces for use as part of the inspection process. The post will also involve advising on proposed police budgets for new joint Boards, liaising with the Audit Commission and CIPFA and providing an in-house service to various Home Office departments.

Further details are available from Mr C Vessey, telephone 01-213 7396.

The Enquiry Branch undertakes detailed investigations into suspected cases of serious fraud in business returns and accounts and examines the work of practising accountants thought to be implicated. You will work with HM Inspectors of Taxes, advising on accountancy law and practice and providing them with accountancy support in their investigations. In addition, you will have personal responsibility for conducting investigations into a selection of your own cases. Post-qualification professional office experience is essential.

Further details on these London and Nottingham based posts from Mr K Shaw, telephone 01-438 6868.

The Branch is responsible for the independent and continuous review of the Department's management systems. You will lead the audit section for divisions concerned with nationalised industries and support for innovation. This will involve managing the section's workload, directing and monitoring audits to professional standards, contributing to section and branch training and maintaining good relations with the divisions within your territory. You will have recent audit management experience and an up-to-date knowledge of modern internal auditing. Computer knowledge is an asset.

Further details can be obtained from Mr W A Methven, telephone 01-215 3596.

All applicants must possess a professional qualification (CACA, ICA, ICMA or CIPFA) and demonstrate considerable professional experience and initiative.
SALARY (under review): £12,895-£17,485. £1300 higher in London. Starting salary according to qualifications and experience. Promotion prospects.
RELOCATION EXPENSES MAY BE AVAILABLE.

For further details and an application form (to be returned by 26 June 1985) write to Civil Service Commission, Alencon Link, Basingstoke, Hants RG21 1JB, or telephone Basingstoke (0256) 468551 (answering service operates outside office hours). **Please quote ref: G(3)686/1.**

The Civil Service is an equal opportunity employer

Financial Controller & Company Secretary

London

For a fast growing investment banking company with ambitious plans for further development.

In this post you will report to the Managing Director and be responsible for the group's financial accounting and administration as well as for all aspects of financial planning and control. You will work closely with professional advisers on property, legal and tax matters and act as Secretary to the Board.

The person we are seeking will be a qualified accountant aged around 30 with a background of sound professional or commercial experience. An equity participation is envisaged. In the medium term there should be an opportunity to join the Board.

Please write in confidence, with brief c.v. to:

Walter Judd Limited (Ref L667)
(Incorporated Practitioners in Advertising)
1a Bow Lane, London EC4M 9EJ.

FINANCIAL CONTROLLER

BEDFORD

The National Freight Consortium is a large and expanding group based in Bedford. We have interests in transport, travel and property throughout the United Kingdom and overseas. Our Property Group manages almost all of the UK property. Its role is to optimise the use of operational sites and achieve a more balanced property portfolio through the sale or redevelopment of non-operational locations.

This group now requires the additional assistance of a Financial Controller to support the Group Finance Director and manage the small accounting team. Estate management and accounting are run through one integrated computer system so excellent levels of service must be maintained for the benefit of all the group's operations.

This new post will be a demanding one but will offer excellent opportunities for an ambitious, fully qualified accountant. The successful candidate must be experienced in all aspects of financial management but particularly in management accounting. He/she must be accustomed to managing staff and be prepared to operate as part of a small, mutually dependent team. Good written and verbal skills are vital, as is experience of working in a highly computerised environment. The ability to work within rigorous timetables under considerable pressure is of special importance. Starting salary will be about £18,000. In view of the nature of the job a company car will be provided. Other benefits are those to be expected of a large organisation. NFC is employee owned and there is opportunity for new employees to purchase shares.

If you are interested in this vacancy, please telephone:
MRS ELIZABETH TOOGOOD, NATIONAL FREIGHT COMPANY, BEDFORD 67444 EXTN 298
for further details and an application form

NFC

Financial Controller

Director Designate

in excess of £20,000 +benefits London SW1

Our client, an expanding hotel and leisure company, presently owns three prestigious units in London and to the west of London. Within the near future the Company intends to seek a quotation for its shares.

Major plans for expansion now demand the appointment of a Financial Controller to report to the Chairman and Managing Director and assume full responsibility for financial and secretarial activity. Specific emphasis will be placed on the enhancement of accounting procedures and the development of computer based management information systems, and participation in the strategic and commercial decision-making processes can be anticipated.

Preferably in their early 30s, as well as being qualified accountants with proven ability to apply shrewd business judgement to the preparation, analysis and control of financial data, candidates should be fully prepared for a detailed involvement in the day-to-day financial operation of the business.

This newly-created position commands a highly competitive negotiable remuneration package including company car, PPP and contributory pension scheme. Career development will be measured by results; the successful applicant can anticipate promotion to director level within the short term and, in due course, participate in a share option scheme.

**Please write with CV, in strictest confidence, to Geoff Barnes,
Casson Beckman,
Chartered Accountants,
27/29 Queen Anne Street,
London W1M 0DA.**

Finance Manager

Addlestone, Surrey
£20K + 2 litre car

Plessey Displays is a leading European supplier of high technology display systems for the home and export market.

We now seek a highly experienced professional to be responsible to the Finance Director for the accounting of major UK and US government contracts and projects ranging in value up to £20 million. The work offers opportunities for high-level financial management, with personal control and direction of a small professional team of Management Accountants. Duties cover the whole spectrum, from the preparation of business budgets and review of business performance against budgeted targets to the appraisal of capital expenditure programme and specification and implementation of enhancements to business computer systems.

The successful candidate, over 30 years of age, will have considerable experience in systems accounting and management accounting, and the stature to deputise for the Financial Director in his absence.

In return we offer a salary up to £20,000 plus a 2 litre car, excellent working conditions and benefits – and every prospect for rapid promotion in the financial field.

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THE ARTS

The Overgrown Path/Royal Court

Michael Coveney

Robert Holman's slippery, insidious and finally remarkable new play opens with a group of Japanese children performing a play about how their teacher survived the destruction of Nagasaki. The show is witnessed by a guilt-ridden atomic physicist, Daniel Howarth, and his wife, Beth. They have returned to Japan to try and find the girl Beth tended when serving with the American Red Cross at the end of the war.

That first scene, as charming as it is surprising, is an apparently unconnected prelude to the play proper, which is set on the sun-baked Greek island of Tinos where the Howarths have retreated from the academic rat-race. Their Japanese expedition punctuates an idyll of mystery and painstaking revelation of Sue Plummer's exquisite design of white hot walls, gnarled and curling trees, a flat beach, half covered in fishing nets, all beautifully lit by Peter Mumford.

Holman is here combining the deft, reverberative naturalism of his earlier Bush Theatre plays with the large-scale promise of last year's *Other Worlds* and *Today*, a rambling but curiously compelling piece about England and the Spanish Civil War that is still in the RSC's Pit repertoire.

His ability to suggest 'a quality of "life lived" is rooted in a detailed account of character's backgrounds. This is not done by crass exposition. Howarth's background, for instance, really comes in to focus when the visiting Cambridge graduate, Nicholas Marks, stirs memories of an old physics teacher at Manchester Grammar School. Nicholas himself is unravelled, as it were, by Howarth's step-daughter, Sarah, who is visiting the island subsequent to the death of her 66-year-old lover in Highgate.

You learn as much about that lover—an alcoholic painter whose voice has never broken—as about anyone else. Nicholas himself runs a newsagents in his native Yorkshire and is hunting a new impetus for his career. Deborah Findlay and Stuart Wilson as Sarah and Nicholas play their scenes with tensile energy and conviction, achieving the robust relationship of an independent woman and a susceptible homosexual before lightning literally strikes in a stunningly staged natural disaster.

For a two-hour play, *The Overgrown Path* is impressively economical, not a virtue you could claim for *Today*. Les Waters's Royal Court production seems both leisurely and well-paced from the opening encounter between Nicholas and Howarth. Peter Vaughan, an actor usually identified with weight and menace, lends Howarth a playful, eccentric demeanour, flicking his cigarette ash into a tray with deliberate studiousness and seeming to taunt the visitor by getting his name wrong.

Howarth imagines himself to be punished for his dangerous career first by the news of Beth's spreading leukaemia (the elision of the scenes around the letter's arrival from Athens is the one awkward spot in the staging) and then by the lightning disaster. As the dawn comes up, Howarth and Beth decide to return to Japan gaining strength in the other's physical presence. They kiss passionately.

The modern Greek's sense of past injustice and present aspiration is cleverly conveyed in Christopher Karallis's energetic local lizard lover and a sense of place emerges as strongly as does the reality of the inhabitants.

The theme of knowledge with responsibility echoes Brecht's *Galileo* and Brenton's *The Genius*, while Louise Page's *Salonika* was another Court play to revive war-time ghosts around the Mediterranean. There are moments, very few, of unwanted preciousness and Howarth's final Einsteinian speech about the dangers of scientific knowledge tumbles forth a little encrusted with *cliché*. But Mr Vaughan carries the moment magnificently, and the play ends on a confident yet quizzical dying fall with an assertion of human goodness through the spiritual integrity of the characters.

Antoinette Sibley and Mikhail Baryshnikov in the *Royal Ballet's "A Month in the Country," which opened* at Covent Garden last night.

Saleroom/Antony Thorncroft

Hitler—for £700

Entrepreneur Paul Raymond *is £200,000 richer today after* selling off the contents of his London War Museum at the *Whitehall Theatre, following* the ruling by the Westminster City Council that the museum went against the designation of the theatre as a place of live entertainment.

Phillips organised the auction on the premises yesterday. Its best customer was Robert *Lamplough, who is setting up* the British Aerial Museum at North Weald, Essex, later in *the year, and was anxious to* buy the aeroplanes on offer.

He paid £34,000 for a Messerschmitt 109; *£30,000* for a Spitfire Mk IX; and £9,000 for a Mustang. None of the planes has an *engine. The Fleet Air* Arm Museum bought a replica of the Sopwith Pup for £19,000, *and a private American buyer* secured a Heinkel for £24,000: Raymond had paid £26,000 for *the plane at Phillips in 1983.*

Everything had to go, and the lowest price paid was the £30 for a collection of wartime sheet music, including "When the lights go on again all over the world." A display of ration books and other wartime memorabilia made £60 while a *group of sandbags and camouflage netting* realised £90.

Top price among the models was paid for Hitler — £700 for a dummy in full uniform. Goering and Himmler were valued at £650 but Rudolf Hess made only £340. Monty was knocked down for £600, while a model of a wartime paper seller fetched £110.

Having already disposed of the Whitehall Theatre, Paul Raymond's investment in the London War Museum has *brought him almost £2m.*

Sotheby's had a great success yesterday with its sale of nautical paintings, bringing in £689,128 with just 8.4 per cent unsold. An American buyer paid £90,200 (against a top estimate of £30,000) for a picture of the Confederate war cruiser, the Shenandoah, which, during the American Civil War, destroyed 37 Yankee ships in eight months. It is shown in an 1865 painting by George Naiper engaging enemy ships. In 1971, Sotheby's sold the lot for £11,000.

The same dealer bought "The Royal Mail steamer Leinster entering Kingstown harbour," an 1868 scene by Captain Richard Beechey, for £35,200. "The Grayling leading a race" by Antonio Jacobsen went for £48,400, even though it carried a £9,000 top forecast: subsequently, the ship was noticed to be carrying the flag of the New York Yacht Club, and the picture will no doubt cross the Atlantic.

Americans also were bidding to reclaim their past at a Christies, South Kensington, topographical sale on Tuesday night. A view of New York from the south, painted in 1760 by Captain Thomas Davies, went way above estimate at £110,000 to a New York buyer.

In New York, Chinese ceramics from the J. M. Hu family collection, sold by Sotheby's, achieved a record auction total for a Chinese sale in the U.S. of $3,950,265 (£3,038,665) and, arguably, a record price for any Chinese work of art at auction.

A wine jar and cover, decorated with fish, of the Jiajing period, was bought by the private Hong Kong collector, Mrs Theresa Lau, for $1,210,000. This would make it a record in sterling terms with an equivalent of £930,769, beating the £720,000 paid for a blue and white jar in London in 1981.

But the dollar equivalent of that jar on the day was $1.3m, showing the pitfalls in mentioning records in a period of inflation and fluctuating exchange rates. Since Mrs Lau was bidding in U.S. dollars, Sotheby's cannot claim a record for the jar; but even so, the price was around three times its expectations.

Also in the auction of just 79 lots, with only 3 per cent bought in, Mrs Lau acquired a rare pair of Ming blue and white bowls, also of the Jiajing period, for £156,538.

Dance in New York/Clement Crisp

Bach with Balanchine's bite

During these fine late spring evenings, the Lincoln Centre *plaza* teems with ballet-goers drawn to the twin temples of the State Theatre and the Metropolitan Opera House, where the New York City Ballet and the American Ballet Theatre are playing concurrent and neighbouring seasons. Joining the throng last week, I saw performances which explain the exhilaration that some 6,000 devotees find nightly *in the two theatres. What more* characteristic of the city's amazing dance life than NYCB *in Concerto Barocco*, Bach interpreted by Balanchine, with the shining integrity of *Merrill Ashley and Loudes* Lopez as the voices of the two violins; or the drive of the entire *company in the Balanchine*/Stravinsky *Symphony in Three Movements* in which we can, after more than a decade, still see the dance of the future.

Two years after Balanchine's death, his repertory is given with undiminished rectitude. Such capital works as those I have mentioned, or *Four Temperaments*, look untarnished, as clean in style as if their creator's eye was still intently upon them. New works abound —I saw five novelties acquired this year, though all rather *small in horizon*. The problem for the NYCB is, inevitably, to produce choreography that will *continue to outdistance* the state of the art in the rest of the world.

Meantime, the NYCB was dancing superlatively well. Suzanne Farrell, one of its great glories, celebrated *the 10th* anniversary of *Tzigane*, that exercise in high kitsch as higher art which Balanchine made for her, with a performance astounding in its musical sensitivity as in its voluptuous manner. Just as Ravel turned every cliché of gypsy fiddling into transcendental violin playing worthy of Paganini, so Balanchine metamorphosed the most blatant cabaret flaunting *into dazzling dance*; and Miss Farrell revelled in every least back-bend and complexity of step, seeming the exact and miraculous realisation of the music.

La Valse has also returned to the repertory. A book could be written about Balanchine and the waltz—though pray heaven it is never published—and in treating Ravel's apocalyptic Viennese study he uncovers a world of ambiguous sensations, uneasy and fevered. The ballroom is shadowed by mortality; *and when a young girl in white* (the ravishing Kyra Nichols) joins her partner, Joseph Duell, we are drawn into a Gothick nightmare as Death claims her and the last swirling measures of the score show her funeral cortège caught up in the whirlpool of the dance.

Miss Nichols was also the heroine of Peter Martins' recent *Poulenc Sonata*. An atmosphere of isolation and sadness is established as we see her spot-lit on a dark stage. She is visited by two different and irreconcilable lovers, the devoted and impassioned Alexandre Proia and the more mercurial Christopher d'Amboise, but there is an odd sense of emotional incompleteness in the way this novelettish plot is imposed upon Poulenc's serious and dark-hued sonata for two pianos.

As a pendant, there is one of the two miniatures Mr Martins has made for this Spring season. *Valse Triste*, to Sibelius music, is a portrait-tribute to Patricia McBride as a woman remembering a lost love, Ib Andersen. The incident is predictable enough as yet another dream waltz. Its interest lies in Miss McBride's potent dancing, drenched with feeling, and in Mr Andersen's subtle response to her, as waves of passion fan the embers of past love into a brief life

The pleasures of the other short work from Mr Martins are owed to his buoyant treatment of three young male dancers. *Eight More* (a title explained by the fact that Mr Martins has used Stravinsky's Eight Easy Pieces previous in their piano version and now choreographs their orchestral form) sets the demi-caractère virtuosity of Gen Horiuchi against the purer style of Pete Boal and Michael Byars.

There result fizzing variations and confrontations in which Mr Horiuchi—small in stature; a giant in skill—contrives to come off best, with nippier footwork, more pirouettes. It is larky, and does not overstay its welcome.

Jerome Robbins' *Eignt Lines* is also new this year. Turning once more to the musical minimalism he first considered in *Glass Pieces*, Mr Robbins uses Steve Reich's octet in its orchestral version, whence his ballet's title. *Eight Lines* benefits from a magnificent cast headed by Maria Calegari, Lourdes Lopez, Sean Lavery and Christopher d'Amboise, with five soloists and a corps de ballet of five girls. Costumes are leotards in solid primary colours, their uncompromising visual effect matched by dancing of mathematical precision, as we see contrasts drawn between simple and complex choreographic textures. Most intriguing is the way Mr Robbins has not been shackled by his accompaniment: his dances transcended the wearisome repetitions of this hyper-active wall-paper.

With the American Ballet Theatre at the Met, I was able to see the company's largest productions: the recent staging of MacMillan's *Romeo and Juliet* and the Baryshnikov/Peter Anastos version of *Cinderella*, now in its second repertory year. Nicholas Georgiadis has slightly reworked his design for *Romeo*, with costuming even more opulent and beautiful in use of velvets, and with lighting by Thomas Skelton which gives great depth and luminosity to the settings. The ABT's artists manage the essential dramatic detail of the ballet very well, in controlled and cleanly delineated characterisations: both company and choreography look fresh. The lovers, though, need more fire and impetuosity than Marianna Tcherkassky and Robert La Fosse provided: *Romeo* is a grand company vehicle, but its motor force comes from stellar interpretations at its heart.

About *Cinderella* I can but report that, though it is a popular success, I thought it charmless and desperately unamusing, and that — greatest sin — it diminishes the power of Prokofiev's score. Cynthia Harvey, fleet and light, could not surmount the aridity of the title role; Kevin McKenzie shone as an elegant virtuoso in the Prince's variations but could nowhere find sustenance for a characterisation. The staging is hideous in Santo Loquasto's flashy design, and heartless on dramatic terms. It looks an expensive and vulgar Christmas toy which obstinately refuses to work.

Suzanne Farrell (centre) in "Tzigane."

Josef Suk/Wigmore Hall

Andrew Clements

Josef Suk's visits to London are far too infrequent. He last gave a Wigmore Hall recital in 1981, and the memory of that was evidently enough to secure a *full house for his* return on Tuesday, when he was partnered by Josef Hala. Many were *turned away from the door*, but those who did get in were rewarded with playing that was as undogmatic *and naturally expressive* as could be imagined. There are only a handful of great violinists currently at the height of their powers; Mr Suk surely belongs with them.

One work he repeated from his previous recital: Janacek's Sonata of 1914, rooted in the arcane key of A flat minor. What can so easily shatter into inchoate fragments here sounded effortlessly rhapsodic yet structually taut; Mr Hala's smartly drilled contribution, less an accompaniment than a sequence of piano punctuations, sustained the tension as cruci*ally as Suk's eloquent*, burnished tone. Preceding it with Dvorak's almost classically pro*portioned G major Sonatina Op.* 100 was a nice touch, for that was tackled with equal appetite but kept within well *schooled* phrasing.

bounds.

Perhaps parts of Brahms' A major Sonata were treated to affectionately. The finale tended to lose its sleek lines; the piano playing was not always as assertive as it might have been. No quarrels though with the serene unfolding of the first movement, its tone of easy confidence struck immediately, or with the sweet intonation and subtle tonal variation in the Andante. The same purity then produced a *memorable* Spring Sonata, Beethoven playing of the lightest touch and the most solicitous

A Bloody English Garden/Bristol New Vic

B. A. Young

Where is this "South London," where Edward Bond set the young people stoning babies to death, and where Nick Fisher now presents three unemployed teenagers who live by theft and violence and speak with an excess of four-letter expletives? Does it house no honest, decent folk? Even Maisie (Mary Sheen), the old lady at the centre of this rather improbable play at the New Vic—a joint production of the Bristol Old Vic and Bristol Express—steals, and concurs in stealing, all her life.

Mike (Richard Graham), the leader of the young trio, is doing a week's community service, tidying Maisie's garden, which is deep in every kind of rubbish. (We have seen how he earned his sentence. He and his mates Jimbo and Killer uproot and desroy some young trees; *no doubt an ideal qualification* for an unwilling gardener.) Maisie's sentimental memories of the roses her late husband Johnny planted, now long gone, turn Mike into a devoted horti*culturalist, however.* He steals a barrowload of plants from the Garden Centre, plus a lawn's area of turf, and creates a garden such as Maisie can never have thought of. It must have been the talk of everyone in South London except the police, who never follow up the thefts.

Johnny is more than the photo on the shelf that Maisie dusts every day and dreams of every night. We see him in close-up, Mike's double, when the date recedes from 1985 to the 1930s. Then, *Little Caesar* was on at *the flicks, Jack Hylton* topped the charts, and Jimbo and Killer were their identical *predecessors Colin and Stan* (Neil Packham and Stephen Jameson). We see Johnny dancing a *nimble foxtrot* with Maisie at the Hammersmith Palais. We see him, rather *sketchily, blown up* in a submarine; a misfortune for which Maisie blames herself, for she urged him to join up rather than go on living by theft.

The author swamps his play in a naive wash of sympathy for the poor and disadvantaged, even for Killer, who is a British fascist in the 1930s and its equivalent today, the Jews swapped for the Blacks. But the characters have no more depth than entries in a reference book, and a rather casual reference book at that. Mick Fisher is *determined on a happy ending*, for which he makes Maisie die from hypothermia. The three *heroes plant a stolen oak* tree precariously in her garden.

Loose ends flap through the *play and in Andy Jordan's production*; but we are cajoled into believing that it is all symbolic by the "*theatrical*" *introductory* words with which Mike opens the proceedings. Mr Fisher has *written verse plays*, and sometimes seems to remember it, vaguely, among his more demotic discharges. But it would be expecting too much to ask the company to play these parts with any real belief in them.

American architecture

Gillian Darley

In a city that grew from a village founded in 1937, and in a state which obtained its independence from Mexico in 1836 but *did not join the U.S.* until 1845, the establishment in 1891 of the Rice Institute at *Houston, Texas, was* an astonishing act of faith. It was the brainchild of a millionaire, *William M. Rice, who did not* live to see the outcome; he was murdered, aged 89, by his valet on behalf of a lawyer who was after his fortune.

The campus which Ralph Adams Cram (of Cram Goodhue and Ferguson of Boston) was commissioned to design late in 1909 was without precedent. Not for him "collegiate Gothic" à la Ivy League, or any *of the existing* "isms" that were in vogue. Cram laid out a Beaux-Arts plan and then *looked for a style to suit* the South. His choice fell upon a combination of Byzantine, Romanesque, even *Moorish* elements.

That background has gelled into one of the most cohesive university campuses in the U.S. But the latest addition, by Cesar Pelli and Associates, is more flamboyant, reworking several of the themes of Cram's architecture.

The building is Herring Hall, for *the Jesse H. Jones Graduate* School of Administration. Seen from the west it is a squat, barrel-*vaulted building* with a pattern of diapered brickwork on its end wall. Windows are used to reinforce the geometry of the design. It is forceful, self-explanatory (it is the library, double height beneath *the vault*) and a kind of repartee to the massive masonry arcades and arches of *Cram's work*.

But his example has not been ignored; linking the three *blocks — library, lecture hall* and a larger wing for students and administration—is a court*yard, alongside which runs a* covered way, open-sided and formed by tubby columns. Externally, the original choice of stone and brick has been added-to with a glazed, plum-coloured brick interposed to emphasise the areas in which windows or parapet interrupt the surfaces. There is also ceramic tile and "spandrel" glass all making a rich, but economic, surface to the building—which *is, in fact, steel-framed.*

The strong patterning is the only showy touch in a set of buildings that are, internally, calm, both in spatial terms and in the choice of muted (and very fashionable) colours — grey, sage green, maroon, yellow and dusty blue.

Pelli is one of the small handful of modernist architects working in the U.S. (he is, in *fact*, Argentinian) who has not been tempted into the ice-cream war of frippery in high-rise buildings. It has left him a little out of the limelight, but with a reputation for integrity that goes beyond the hunger for novelty and a short, sharp blaze of notoriety.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

May 31 – June 6

Exhibitions

VIENNA

Vienna 1870–1930: Dream and Reality: The greatest names of the Viennese fin-de-siècle – Klimt, Otto Wagner, Schiele, Kokoshka, Aldolf Loos, Josef Hoffman – in a dazzling display of Jugendstil creative genius. The attempt to integrate the artistic achievements of this era with phil*osophical developments (notably* Wittgenstein but also Freud) and political transformations (the emergence of municipal socialism on the ruins of Baroque splendour) is ambitious and only partly successful. The complex tension between autocratic and censored reality on the one hand and the illusions or fantasies of individual artists on the other is hinted at but not *fully* explored. A high point of the show is a reconstruction of Hoffman's room at the *secession exhibition of 1902. Here*, triumphantly restored, is Klimt's fifty-foot Beethoven frieze

NEW YORK

Metropolitan Museum: 30 objects from the period between the 1851 Crystal Palace Exhibition to the 1900 World *Fair* in *Paris* demonstrate the show's theme of Revivals and Explorations in European decorative arts. Ends Sept 5.

WASHINGTON

National Gallery. Ancient Art of the American Woodland Indians includes 151 pieces covering 5,000 years of sculpture, ceramics, copper and shell objects of the native *Americans who lived in what is now* the eastern half of the U.S. Ends Aug 4.

National Gallery (West Bldg): 36 old master paintings from the Dulwich Picture Gallery are exhibited under the title Collection for a King, including works by Rembrandt, Van Dyck, Canaletto and Gainsborough. Ends Sept 2.

CHICAGO

Art Institute: Though Edouard Manet made etchings primarily to reproduce and publicize his paintings, he developed a unique style as shown in the 27 *etchings* in this special exhibit of more than a third of his total output of 75 etchings. Ends Sept 2.

Art Institute: With 200 of Marc Chagall's works on paper dating from 1907 to 1983, this show from the Centre Pompidou in Paris makes a good study of Chagall the draughtsman. Ends July 7.

ITALY

Genoa, Palazzo Della Commenda: Japan – The Avant-Garde of the Future: Antique Kimonos from Kyoto form part of the historical section of a *huge exhibition of contemporary* Japanese art at various centres in Genoa. The series of early Japanese erotic prints (from the Museo Chiassone) – shown here for the first time in public – form an amusing contrast with *Hajime Sorayama's sexy* robots (at the Teatro Falcone).

Venice, Palazzo Fortuny: Toys for the science-fiction era, showing how vastly more sophisticated robots have become, *since first produced in the 1950s. Ends Jul 14.*

Rome, Galleria Carlo Virgilio, Via della Lupa 10. Anton Sminck Van Pitloo (1791–1837): 27 *landscapes in oil* of Naples and surroundings of exceptional quality and charm. Pitloo had left Holland with a Prix de Rome, and after study in Paris and Rome, settled in Naples and taught at the Accademia Borbonica. He had considerable influence on the development of Neapolitan landscape painting. Several of his works *have echoes of Corot and of Turner*, both of whom visited Italy during 1828. Ends June 14.

Naples, Museo di Capodimonte: The Age Of Caravaggio, seen at the Metropolitan Museum in New York in February and March, is the first fruit of an agreement between the museum and the Italian Arts Ministry. Besides 40 paintings by this extraordinary artist (some of not absolutely certain attribution) there are works by Caracci, Reni, Borgianni, *Elsheimer, Gentileschi* and Rubens.

TOKYO

Paintings on Folding Screens: Eight masterpieces from 17th and 18th centuries from the museum collection. Okura Shukokan Museum, in front of main building of the Okura Hotel. *Ends June 23. Closed Mondays.*

Ukiyo-e Woodblock Prints: Part 1 of *two-part exhibition of famous* woodblock prints depicting the beautiful courtesans of Tokyo's Yoshiwara Pleasure Quarters in smoking scenes of the 17th and 18th century. Artists: Kiyonaga, Utamaro and Eishi. 4th floor of Tobacco and Salt Museum, Shibuya. Until June 9 (Part 2: June 14–July 14). Closed Mondays.

WEST GERMANY

***Cologne**, Kunsthalle, Josef-Haubrich-Hof 1:* "Ornamenta Ecclesiae." To underline the importance of the romanesque churches, the Cologne Schnüttgen museum has organised an exhibition of roughly 600 religious works ranging from 11th to 13th century including illuminated manuscripts and gold artifacts. Ends June 9.

Cologne, Kunsthalle, Josef-Haubrich-Hof 1: 'Ornamenta Ecclesiae.' To underline the importance of the romanesque *churches, the Cologne* Schnüttgen museum has organised an exhibition of roughly 600 religious works from 11th to 13th century. These are illuminated manuscripts and gold artifacts from museums and collections from all over the world. Ends Jun 9.

Berlin, Gropius Bau, Stresemannstr. 110 Berlin 61: Treasures of the Forbidden Cities. Timed to coincide with this year's Berlin Horizon 85, the Peking Palace museum is coming to Europe for the first time, with roughly 120 works covering 3500 years of Chinese history.

BRUSSELS

Hotel Metropole is celebrating *its 90th* year and in its splendid *fin de siècle* public areas, worth a visit in themselves, they are exhibiting glass and objets d'art from the Belle Epoque to Art Nouveau including works by Wouters, Gallé and Daum. Also on show are a collection of illustrated me*nu cards including* a Press Banquet in 1893, Congo in 1898 and Sarah Bernhardt in 1896. Ends Jul 20.

NETHERLANDS

Paul Klee at the Commanderie van Sint-Jan Museum in Nijmegen. 60 *paintings, watercolours and drawings* covering the years 1906-39 on loan from the holdings of the Kunstsammlung Nordrhein-Westfalen. Ends Jun 23.

LONDON

The Saatchi Collection: Charles and *Doris Saatchi have been* collectors of contemporary art since 1970. The catalogue of their collection, The Art Of Our Time, *is being published* volume by volume, and a gallery established to make it available to a wider public. The gallery is an astonishing converted paint warehouse at 98a Boundary Road, NW8, that offers more exhibition space for temporary shows than any other gallery in London, except perhaps the Tate. There are to be three or four shows a year, of a few artists at a time.

The Hayward Gallery: Degas: The *Painter as Printmaker* – an *Arts* Council exhibition of the complete oeuvre of his etching and lithography with a small but representative group of *his* monotypes. For so prolific an artist, his output as printmaker was extremely *small and his* practice intermittent. This was a private and experimental aspect of *his work, hardly known* beyond his immediate circle.

PARIS

Renoir: An important exhibition of the *most sensuous of the impressionist* painters, who never tired of glorifying the nude feminine body capturing the light, comes to Paris from the Hayward Gallery, London. It consists of some 125 paintings and 50 Drawings, including Le Bal du *Moulin de la Galette* and La Danse à Bougival, Grand Palais, Closed Tue. Ends Sept 2 (2615410)

James Tissot: A nostalgic evocation of the charms of Edwardian life, with his fashion-plate perfection in rendering *ladies'* rustling dresses and beautiful hats, surrounded by attentive dandies at various social occa*sions. This show arrives in Paris* from the Barbican, London. Petit Palais. Closed Mon. Ends Jun 30.

Maîtres impressionnistes et Modernes: Art dealer Daniel Malingue has an exhibition of which Renoir, with 15 paintings, is the glowing star. Yet there are other great names present – Gauguin, Signac, *Kandinsky, Chagall being eternally* Chagall, an unusually structured black and orange Léger, a Magritte, *amazingly sinister*. Galerie Daniel Malingue, 26 Ave Matignon. Ends Jun 15.

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The case for Salt II

THE SECOND Soviet-American Strategic Arms Limitation Treaty (Salt II) of 1979 was never ratified by the U.S. Senate, partly in reaction to the Soviet invasion of Afghanistan, partly because the American right criticised the agreement as unfair.

Nevertheless, both superpowers have until now committed themselves, at least in theory, to the observation of the Salt II limitations, pending a new nuclear arms agreement in Geneva. The U.S. Administration is now considering, after consultations with its European Nato allies today and tomorrow, whether to stand by this commitment any longer. President Reagan will announce his decision on Monday.

There can be no reasonable doubt where his decision should lie. A decision must be taken soon, because the next U.S. Trident submarine, the USS Alaska, will start sea trials in the autumn. Since this would carry the U.S. above its Salt II missile limits, observation of the treaty would require the U.S. to remove another, older submarine from its nuclear arsenal. That is what the Administration should do, even if there is a respectable case for a partial decommissioning, as a compromise.

Constraints

Inside the Administration, critics of the Salt II treaty also argue that the Soviet Union is already infringing the treaty limits, by developing two new land-based missiles when only one new type is allowed, and by encoding the telemetric signals used in missile testing. Therefore, they say, the U.S. is also entitled to infringe the treaty constraints.

If there is to be any argument in favour of overt U.S. infringement, it needs to be far stronger than that. The Soviet Union may be violating the treaty in development terms, but it is not yet deploying more missiles than it is allowed. For the Americans to flout the deployment limits can only incite the Russians to follow suit.

This cannot be in the U.S. interest. So long as the Soviet Union respects the missile ceilings, it could, by the mid-1990s, increase its warheads by some 20 per cent. If missile ceilings are abandoned, the Soviet Union could in the same period increase its warheads by some 50 per cent. If the Americans are worried by the number of Soviet warheads, the inference for U.S. policy must be clear.

If the case against Salt II is that it has failed to prevent a large increase in the numbers of warheads (on both sides), the case in favour is that, in the absence of these treaty limits, proliferation might be even more uncontrolled.

Moreover, Salt II does not, in present circumstances, pose a free-standing dilemma, but must be viewed against the background of the nuclear arms negotiations under way in Geneva. The question facing the U.S. Administration is not whether the existing restraints should be extended in perpetuity, but whether they should be observed pending a better agreement in Geneva.

For the moment these negotiations seem to be making no progress. There is no reason to suppose that the prospects will be improved if the U.S. deliberately announces a decision to overthrow the existing Salt limits; there is even less reason to suppose that U.S. military security will be meaningfully enhanced by the addition of one submarine.

Dismantle

There is a half-way house which would respect the spirit of Salt II while not quite respecting the letter: to take an old submarine out of active commission, but not to dismantle its missile tubes. In some ways this might be less satisfactory than full compliance; but it would signal that U.S. compliance will be contingent partly on Soviet compliance, partly on the progress of the Geneva talks.

But whatever the narrow arguments, President Reagan's decision is bound to be scrutinised in Europe as a sensitive indicator of his Adminstration's attitude to arms control; for Washington's most influential critics of Salt II are also the strongest opponents of arms control in general. If he does not respect Salt II, the world will draw pessimistic inferences about his intentions in Geneva.

The go-ahead for Stansted

NOBODY CAN be more pleased by the White Paper on airports policy than the British Airports Authority (BAA) and nobody less pleased than middle class Conservative voters in Essex. For its twin decisions are to give planning permission for the expansion of Stansted to 15m passengers a year and to privatise BAA as a single entity.

Of the two decisions, the development of Stansted, at the pace recommended by Mr Graham Eyre, QC, who headed the planning inquiry, will be the more unpopular, but the more easily justified. The Government's view is simply that air traffic is set to grow much more quickly over the next 15 years than can be accommodated at Heathrow.

No decision has yet been taken over the construction of a fifth terminal at Heathrow, but because it would involve the relocation of the sludge works at Perry Oaks, there are doubts that it could be in place in time to meet the expected bulge in demand in the early 1990s.

Rapid increase

Projections of air traffic have been unreliable in the past and it was once thought that Heathrow and Gatwick would be unable to cope with demand in the South-east as long ago as the early 1970s. The Department of Transport's latest estimates are that demand will rise from about 47m passengers this year to 77.4m by 1995 and 96m by 2000. This looks a very rapid rate of increase, but it must be remembered that between 1960 and 1984 demand at London's airports rose from 7m to 45m.

Even if the demand projections prove too buoyant and even though the Government admits "too many travellers from the regions are forced to use the south-east airports," a modest expansion of Stansted looks the only rational solution. A majority of the residents in the Stansted area support expansion and the higher economic activity it will bring. Opponents of its development, at least, have the comfort that expansion will be phased and that growth beyond 7m-8m passengers a year will need explicit parliamentary approval.

The Government also intends to encourage the expansion of Manchester and other regional airports but given the extent of the present diversion of passengers into the already overcrowded and noise-polluted south-east, its commitment here looks on the weak side. It might be possible to devise some explicit tax-based incentives to encourage airlines to make greater use of regional facilities.

It is easy to understand why Mr Nicholas Ridley, the Transport Secretary, has resolved to privatise BAA as a single entity: this is the course of least resistance and is likely to raise the maximum revenue for the Treasury. Once again, however, it seems that the Government may not be giving the goals of greater competition and efficiency the priority they deserve.

It is often argued that competition between airports, especially between those serving the same region, is impossible — that airports should provide complementary services for airlines between which the real competition can occur. This view is strongly challenged in a report by the Institute for Fiscal Studies (IFS) also published yesterday. The IFS is highly critical of BAA's present charging policies and implies that little will change unless the ownership of the three main London airports is divided.

Uneconomic

The IFS report maintains that because the BAA uses its highly profitable commercial services (food, drink and retailing) to finance uneconomic charges for airlines, it may be attracting an excessive amount of air traffic to London. If charging policies were more rational then some of the forecast traffic growth which justifies Stansted's expansion would go to other European airports. In other words part of the air traffic headache has been created by BAA's uneconomic pricing.

Mr Ridley's decision to organise BAA's seven airports as separate companies under a single holding company should lead to greater financial transparency and the elimination of some cross-subsidies. However, that outright independence for the South-east airports would allow real competition and ease regulatory problems following privatisation needs to be carefully considered by the Government.

THE PURCHASE OF HUGHES AIRCRAFT

GM takes a $5bn gamble

By Terry Dodsworth and Paul Taylor in New York

THE REIGN of Mr Roger Smith, the rather mild-looking accountant who became chairman of General Motors four years ago, is now unquestionably the most significant in the company's post-war history.

This 59-year-old veteran, widely written off as a grey Mr Average when he moved into the chairmanship, could scarcely have demonstrated his determination to change the direction of the company more than by taking over Hughes Aircraft.

The announcement yesterday that GM is to pay $5bn for Hughes ends weeks of speculation about the fate of the Californian electronics, aerospace and defence group. Earlier this year the company had been put up for sale by the Howard Hughes Medical Institute, a move which attracted some of the biggest names in Corporate America.

Hughes Aircraft is the high technology end-product of the machine shop where Howard Hughes, the brilliant, eccentric homo universale of 20th century U.S. business, built his first racing planes.

The company has grown into one of the top 10 U.S. defence contractors, with a glittering list of products, including most of America's spy satellites and the first spacecraft to land on the moon. The challenge for GM is to link Hughes' electronics, high technology and endless search for new products, to the methodical engineering traditions of the motor industry.

Mr Smith said yesterday that such a linkage is vital to GM's future. "You have got to have the Hughes' and the EDSs (the data-processing company GM acquired last year) to be a player out there in the 21st century. We are going to build our company for the 21st century — we are not just going to stumble into it backwards."

Even before yesterday's announcement, Mr Smith had put his own very individual stamp on GM. After a shaky start, when his outspokenness threatened serious embarrassment, he has driven GM into so many new fields that this lumbering giant of manufacturing industry has begun to look almost entrepreneurial.

It has got together with Toyota, the U.S. motor industry's main Japanese rival, in a controversial small car manufacturing operation in California, pushed through a wrenching management reorganisation, negotiated a radical new wages system in a tnse face-out with the Auto Workers' union and, last summer, launched its first big diversification move — the $2.5bn acquisitionof Electronic Data Systems the world's premier independent data-processing company.

Mr Smith also threw the normal caution of the industry to the winds by telling the world that GM had embarked on one of the most ambitious new product developments in the history of the industry.

As a result, the Saturn project to produce a small car capable of taking on the Japanese has become a real hostage to fortune.

Philip Thompson

Roger Smith GM's chairman (left), moving into an area of high technology pioneered by the late Howard Hughes (right)

The acceptance of risks of this sort are now clearly characteristic of the Smith régime. There are conservatives within GM, for example, who fought the EDS deal from the start and still think it will be a disaster.

Part of the idea in buying the data processor was to give GM an integrated information system that would link the factory floor with the chairman's office, ridding the organisations of the rigidities that had grown up in the piecemeal development of computerisation in the company.

Inevitably the influx of the EDs new guard has caused enormous friction.

But the acquisition of Hughes Aircraft marks a different sort of risk. Based in California, the aerospace company will be run as a separate entity and will make no immediate challenge to GM's corporate culture. It is also profitable, has a long order book, and an evidently successful management. The question is, though, should GM be spending so much money in an industry about which it knows very little at a time of unparalleled challenge in its own base market?

The challenge has only recently been underlined by a controversial Commerce Department report which argues that imports will increase their share of the U.S. car market from 23.5 per cent last year to 36 per cent by 1988.

The ending of the unofficial quota restrictions on Japanese imports earlier this year is already beginning to gnaw away at the position of the U.S. manufacturers. The Japanese, meanwhile, are stepping up their U.S.-based production and Hyundai of South Korea is putting together a dealership organisation to begin a further attack on the market from South East Asia.

Many people believe that GM should not be taking its eye off this particular ball at the moment to toy with the aerospace sector. "They are using a good chunk of their cash when financial conservatives think it could be better spent buying in their own stock and increasing dividends," says Mr David Healey, a motor industry analyst at the Drexel Burnham Lambert securities house. "If they want to spend their money it should be in the auto business to cut their costs."

Mr Healey and other critics also argue that Hughes' impact on the auto group will be so marginal that it is not worth the price. Despite the glamour and prestige of the aerospace company, it remains a minnow beside its new parent, with sales of around $5bn against GM's likely $100bn this year. "It is very difficult for any company the size of GM to diversify meaningfully," said one motor industry executive yesterday.

At the same time, GM's new acquisition is not cheap. The company is paying roughly 20 times Hughes' estimated 1984 earnings of $250m, a fairly high multiple for the defence/technology sector these days. As part of its $5bn deal, it is using up $2.7bn of its cash hoard to do it.

There is no question that the transaction is entirely within the capacity of the group, since its cash reserves amount to almost $9bn at present. But it is a price which makes some heady assumptions about defence industry growth at a time when General dynamics, the leading company in Hughes' sector, is trading at only eight times its 1984 earnings.

Set against these negative arguments are two overriding concerns for the U.S. car industry: the fears that if it does not diversify it will be caught in an inexorable circle of decline in its traditional business and its feeling that new technology may be the magic ingredient to save it.

GM General Motors Corporation / HUGHES

	General Motors 1984	General Motors 1979	Hughes Aircraft 1984	Hughes Aircraft 1979
Sales ($bn)	83.8	66.3	4.9	2.2
End-year employees (000)	748	853	73	52
Long-term debt ($m)	2,417.4	880.0	78.0	100.0

Research: Rivka Nachoma.

One of the main attractions for Wall Street of the agreement is that it could eventually give GM a significant second leg to stand on. Although it may take many years for the aerospace company to make a signicant impact on earnings in such a large operation, electronics, space and defence are growth industries in a sense which the motor industry can never again hope to be.

Hughes brings a formidable reputation to the newly-enlarged group. It is regarded as one of the best managed and most innovative companies in its sector, with a star-spangled array of high tech equipment produced by a 74,000 strong workforce of which a third are highly-qualified engineers.

Since it was set up by the unconventional Howard Hughes in its present form in the early 1950s, with the motto "vision, vigilance, valour," Hughes Aircraft has stayed in the forefront of electronic aerospace technology. On an extremely fast-moving sector, it has proved one of the most consistent readers of where the industry was going, concentrating on the growing defence market for sophisticated electronic weaponry and guidance systems.

The company has had its problems, notably when the Defence Department quarrelled with the quality standards on some of its missiles last year, but it has won plaudits for its business strategy, which has ensured that no single product accounts for more than 6 per cent of its sales. These consequently span radar, communications satellites, weapons systems, and the space shuttle's mechanical arm.

No one knows precisely what sort of earnings growth this has generated for the group, although sales have jumped by almost 90 per cent since 1980. But Hughes has managed to be financially self-sustaining during this period, a comforting thought for GM's shareholders who ought not to see vast amounts of cash diverted to expanding the newly-acquired aerospace company.

Presenting the deal "as a truly historic day for GM," Mr Smith's emphasis yesterday fell almost entirely on the electronic wizardry which Hughes is expected to bring to the manufacturing of GM's vehicles.

Mr Smith said he had "long believed" that the future of the auto industry was tied up with the introduction of ever more sophisticated electronics under the hood and in the dashboard. The automobile, he added, is still in its infancy in terms of systems. He expects Hughes, for example, to help GM develop collision avoidance radar and "locating systems" which would help a driver find his way in unfamiliar territory.

Of equal significance, Mr Smith emphasised the potential gains through linking Hughes' hardware expertise with the software skills of EDS to revolutionise operations on the factory floor. "There is only limited systems engineering expertise in this new area of computer-integrated manufacturing," he said. "Hughes is one of the few organisations that has extensive experience in it."

Wall Street, meanwhile reacted enthusiastically to this high-tech message yesterday, pushing the shares up by more than a dollar immediately after the deal was announced. Ms Ann Knight, an analyst at Paine Webber, pointed out that there are precedents for this kind of strategy for an auto company. In Japan, she said, Mitsubishi has successfully used its aircraft division to help both with automotive design and engineering.

Ms Knight and others argue that within the next few years, car electronics are going to turn the driving seat into the equivalent of a jet aircraft cockpit. This will require detailed understanding by the motor manufacturers of the interaction of different electronic systems, which have a nasty habit of interfering with each other.

"Aerospace companies have had to be very careful about this, because it is a serious business if an aircraft drops out of the sky," says Ms Knight.

But not everyone on Wall Street is so enthusiastic. Some industry experts claim GM could have hired or bred in-house the necessary electronics expertise much more cheaply — and some even doubt that it is needed at all.

"You don't need to go and splash out $5bn on an aerospace company to tell you that you are at the corner of Fifth Avenue and 59th Street," said Mr Healey yesterday, in a wry reference to the location of GM's towering Manhattan headquarters.

Men and Matters

Changes in the air

Inside the BBC, they still do not believe the rumour about Alasdair Milne being replaced as director-general by Channel 4 chief, Jeremy Isaacs — at least, not in the near future.

The story, first head in the broadcasting world last Christmas, has been energetically revived this week, but those who should know best insist that, despite Mrs Thatcher's antipathy to what she sees as Milne's arrogance, he will serve for some time yet.

The position of assistant director-general, Alan Protheroe, looks less sure. He was the one who vigorously defended what others saw as the indefensible when the BBC "borrowed" TV-am's exclusive interview with Princess Michael of Kent without asking.

A sideways move for Protheroe would leave the assistant d-g space available for the BBC's fast-rising financial expert, Michael Checkland. His current title is "director of resources, television" and his promotion to Milne's right hand would no doubt find favour with BBC chairman, Stuart Young.

Young (whose brother David has received a peerage and a place in the Cabinet from Mrs Thatcher) is apparently not the greatest of Milne's admirers.

One of the senior partners in accountants Hacker Young and a director of British Caledonian and Tesco, Young might feel that — with the Peacock Committee about to take a hard look at the BBC's finances — the Corporation's financial muscle would be greatly strengthened by moving Checkland nearer to the top of the executive.

Borrowed clothes

What does a government do to raise a cheer after 42 years in office? The answer of the long-ruling Progressive Conservative party in Ontario province, Canada, is to leave a lasting impression by stealing the opposition's clothes.

The Tories failed to win enough seats for a working majority in last month's provincial election. But they are still going through the rituals of government until the two opposition parties combine to topple them in a no-confidence vote—expected any day.

When the provincial legislature reconvened this week the outgoing government was ready with a startling Throne Speech. Instead of Tory policies, it set out proposals taken straight from the mildly socialist manifestos of the opposition Liberal and New Democratic parties. Among them were—a freeze on health insurance premiums, preference for provincial contractors with affirmative action programmes, support for renewed import quotas on Japanese cars, and tougher anti-pollution laws.

According to the Liberal leader David Peterson, who is almost certain to be Ontario's next Premier, the Tories' turnabout is a deathbed repentance —"Their way of saying they're sorry."

Power braking

A reshuffle of appointed members tot he Hong Kong executive and legislative councils, announced yesterday by the governor, Sir Edward Youde, paves the way for indirect elections to the legislative council in the autumn.

They will markthe first of a series of political reforms aimed at putting more power in the hands of Hong Kong people before the lease runs out in 1997.

If there was a major surprise in the new lists of appointees it was that Sir Sze-Yuen Chung is to stay on for another three years as senior unofficial member of the executive council.

He took a buffetting during the Sino-British negotiations on Hong Kong's future beyond 1977, taking swipes from the British administration and the Peking authorities alike for his attempts to protect what he saw as the threatened rights of Hong Kong people. He was keen to step down but has been prevailed upon to remain in office during the coming critical period of political transition.

Authorities in Pekng, who wll doubtless be looking for political signals in the appointments list, will note that some of the colonial government's most swingeing critics have been reappointed.

Guernsey crude

Eighteen years ago spilled oil caused havoc to the beaches of Cornwall, Guernsey, and Brittany following the wrecking of the Torrey Canyon off Land's End. Surprisingly, some of the 100,000 tonnes of crude that escaped from the tanker is not only still around, but is about to be cleaned and sold.

The oil has been lying in a disused granite quarry in Guernsey. It was dumped there after the island authorities had sucked about 3,000 tonnes of the stuff off their beaches with a fleet of sewage tanker lorries.

Now the island has done a deal with Petroleum Trading of Hitchin to get rid of the oil lake which as a local official says, "is a damned nuisance."

According to Tony Barnard, joint managing director of PT, it might be possible to recover 1,500 tonnes of fuel oil residual from the quarry that can be sold as blending stock.

He says that the operation, to start shortly, will cost his firm over £100,000, and is "a gamble on what we can recover and the price we can get."

The job will mean erecting a storage tank at the quarry and another at a local harbour ready to ship the oil to Britain or Holland. Under the deal the tanks and other equipment will be left on the island as payment for the oil. Barnard hopes to show a 10 to 15 per cent profit on the venture.

Reflections

Publisher Robert Maxwell has been slower than some of his rivals to do "something big" in the U.S. and, when cornered in New York yesterday, he was typically blunt about the reason.

"I am not going to pay those silly prices that Mr Murdoch, for instance, is paying for his TV stations and magazines," he said. "Quite ludicrous."

Maxwell was offered Murdoch's Village Voice, but refused it; and he said he had no interest in buying Murdoch's loss-making New York Post, which is said to be on the block at $70m.

But he is enthusiastic about the opportunities in the U.S. media business and stressed to students at New York's Polytechnic Institute—where he was picking up an honorary degree along with Lockheed's Roy Anderson and Pfizer's Ed Pratt—that if they wanted "fame and fortune" they should get into the communications industry.

When he makes a major move in the U.S., it would probably be on the printing or databank sides, Maxwell said. He is already in a joint venture with the Providence Journal and his Pergamon Interlink data service is "doing for science what Reuters is doing for money."

Naturally

Card in a North London shop window: "For sale, sun bed and lamp. Barely used."

Observer

THE OUTLOOK FOR THE DOLLAR

Prepare for a crash landing

By Anatole Kaletsky

A "CRASHLANDING" of the overvalued dollar, accompanied by a world financial upheaval, becomes more plausible daily. Ironically, the greatest cause for alarm is the recent *strength* of the dollar, which may still rebound even beyond the stratospheric levels set in February, despite the bearish background of falling U.S. interest rates, poor growth figures and signs of accelerating inflation.

Today, such paradoxes are taken for granted by currency markets. The reason, as last week's OECD Economic Outlook anxiously put it, is that "expectations have become the decisive element in determining how far, how rapidly and with what degree of volatility the dollar evolved."

Once expectations take over, currencies can lose touch completely with economic forces or shifts in government policies. If this is happening, governments and central banks may already be powerless —unless they are prepared to reimpose draconian direct controls on international capital movements —either to promote a gradual downward adjustment of the dollar or to prevent a dollar collapse if and when expectations switch.

Many politicians and even investors shrug off such warnings because they seem self-contradictory. The dangers of a resurgent dollar and a collapsing dollar do not cancel each other out. In reality, the world economy is quite likely to suffer from both over the next few years. For worldwide financial deregulation has turned currencies into assets just like shares or gold, and there is no more reason to hope for stability or consistency from exchange rates than there is from the price of gold.

The price which is set by a free market in assets can behave very differently from the market price of ordinary goods. Consider the effects of a rising dollar. In the days before currency became assets and the dollar was simply a token for buying American goods, a rise in the dollar would make American goods more expensive and foreigners would stop buying them. Demand for the dollar would drop, and push the exchange rate back down to its equilibrium level.

Today, the effect of a rising dollar can be quite different. Because the dollar is an asset in its own right, the more it rises, the more people may want to buy it or be afraid of selling it. In the words of an anonymous foreign exchange dealer who was quoted in the FT more than four years ago—"I know the dollar is overvalued today, and I know it will be more overvalued tomorrow."

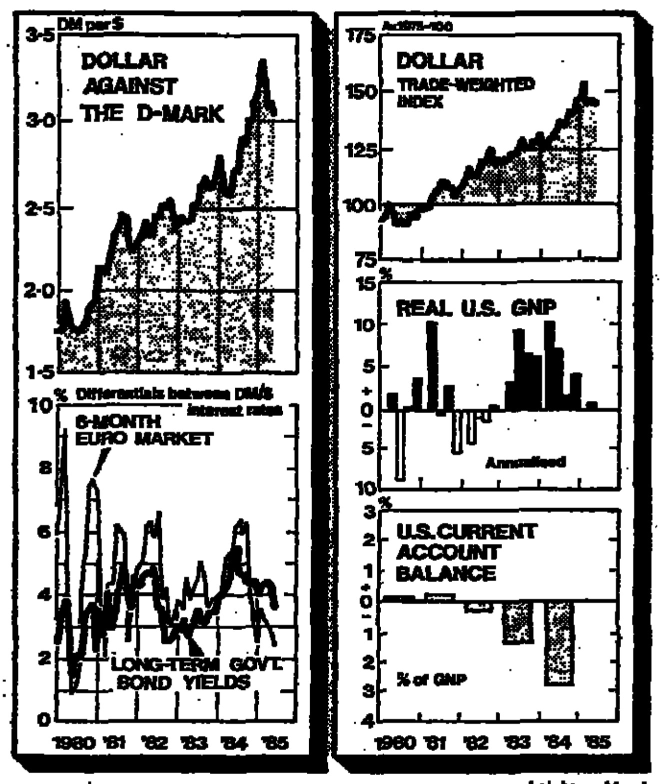
The build-up of such extrapolative expectations, as economists call them, explain why speculative bubbles can form in markets for assets, like Wall Street in 1929 or City of London real estate in 1972, but not in markets for ordinary goods and services—except in bizarre circumstances such as the coffee and lavatory paper panics of the mid-1970s.

If exchange rates are now in a speculative bubble with no firmer economic underpinnings than extrapolative expectations, then it is possible to make just one firm prediction—the least likely course for the dollar in the next few years is a gentle decline.

The IMF, for example, assumes a fall of 5 per cent a year from 1987 onwards in the medium-term projections in its latest World Economic Outlook. In fact, such a protracted fall would almost certainly reverse the expectation of a "dollar more overvalued tomorrow" and thereby remove the currency's most important prop.

Because the currency would still be overvalued in the sense that the IMF's projections leave the U.S. current account in deficit to the tune of 3 per cent of GNP in 1990 and America's foreign debt continuing to mount at a rate of 20 per cent or more a year, extrapolative expectations could become just as powerful on the way down as they have been on the way up. A soft landing would only be possible if such bearish expectation were offset by some very strong non-speculative forces underpinning dollar demand.

Naturally, economists have tried to identify such forces. The most obvious have been high U.S. interest rates. Interest differentials certainly have played a major role in the dollar's rise, particularly in its early stages; but their explanatory power more recently has been less convincing. Since last year interest differentials have



Leighton Morris

moved *against* the dollar (see chart) and today's gap of 2.5 percentage points between dollar and D-mark deposits is 0.5 percentage points smaller than it was in 1983 and 1984. Comparisons of bond yields tell a similar story. Yet the dollar today is 30 per cent higher than it was in early 1983.

Other economic arguments have been used to explain the parts of the dollar's performance which interest rates could not reach. Most of these can be summed up under two headings — rapid non-inflationary growth and high after-tax profits. Like interest rates, these arguments seemed plausible enough a year or two ago, when the dollar was 20 per cent or more below its current level, but today they look less persuasive.

U.S. growth rates have dropped precipitously since the middle of last year and inflation is showing signs of edging upwards.

Profits and business investment did rebound impressively in 1983 and 1984 from their recession lows, largely as a result of the 1981 tax cuts which ended up favouring business investment far more than anybody had expected. This tax bias is now to be reversed if President Reagan gets his way.

But even without tax reform, corporate profits have fallen by 11 per cent in real terms since their peak last year.

It seems, therefore, that most of the economic fundamentals have turned against the dollar by now. If the dollar remains anywhere near its current levels or returns to its upward trend, which in the short term seems quite likely, economists will doubtless discover new explanations for the behaviour of exchange rates. But it may be more realistic simply to give up the search for economic reasons and concentrate instead on market psychology and speculative forces.

At first sight, speculation may not seem a promising approach to the dollar puzzle. After all, most currency speculators have been gambling *against* the dollar since 1982; and virtually every survey of market opinion for four years has revealed a widespread expectation that the dollar would fall. But speculation can consist not only of acting against economic fundamentals, but also of failing to act as economic fundamentals would suggest. This behaviour can be described as "passive speculation."

According to the conventions of economic theory and national income accounting, all the dollars which flow to Japanese manufacturers or British pension funds as a result of the U.S. current account deficit are immediately converted into yen or sterling by their new owners.

This is not what happens in practice. For many Treasury managers it now requires a *positive* decision to convert surplus dollars into another currency. Keeping the proceeds of U.S. export sales or investment income in dollars appears to be the passive option.

If you are a fund manager for a Saudi Prince and you change dollars into yen, you suffer a currency loss when the dollar rises; but if you keep your money in dollars and the yen rises, you merely miss out on a currency profit.

As the dollar has risen ever higher, those brave souls who tried active currency management have repeatedly burnt their fingers. This may have demonstrated that the underlying forces behind the dollar's rise were much stronger than anyone had anticipated; but it has also created potent irrational forces — paradoxically, staying in dollars has come to appear increasingly risk averse, the higher the dollar has risen and the more the dangers of an ultimate collapse have grown. This is passive speculation.

There is evidence of this phenomenon in the statistics on U.S. capital flows. Gross inflows of foreign capital into the U.S. have remained roughly stable between \$76bn and \$93bn a year since 1981. Meanwhile, U.S. bank lending fell from \$111bn in 1982 to \$7bn in 1984, and this shift in overseas accounted for America's whole net capital inflow. Like all flow of funds analysis, attributing the U.S. capital inflow to the banks raises a chicken and egg problem.

Instead of wondering why U.S. banks stopped lending abroad, it can be asked why foreigners went on depositing around \$90bn each year in U.S. securities instead of changing their excess dollars into other currencies?

About half the answer last year came from \$50bn in long-term investment by Japanese institutions and a further \$21bn of U.S. capital inflows due to direct investment in the U.S. That still left \$35bn in banking and other short-term inflows. Much of this flow can probably be described as passive speculation, or what foreign exchange dealers call, less pretentiously, "burnt fingers."

If these burnt fingers have been a major source of the dollar's strength today, the omens for the future could be alarming. With the U.S. current account deficit set to grow by a further \$40bn or so between 1984 and 1986, the U.S. will need \$70-80bn of capital inflows, on top of direct investment and long-term *inflows* from Japan.

As long as the dollar remains on a rising trend, this need be no problem. Much of the increase in the current account deficit will flow directly to the passive speculators who will automatically reinvest it in dollars and America's capacity to borrow from foreigners will seem unlimited.

But once the dollar's trend turns downwards, extrapolative expectations will go into reverse. Even the long-term Japanese investors may not prove indifferent to short-term currency losses; the passive speculators in the treasuries of industrial corporations and non-Japanese investment funds will soon begin to question the risk-aversity of hanging on to their dollars.

Economic fundamentals will then come back into play; and if the turn does not come soon, investors will see a U.S. economy the trading industries of which have been devastated by the effects of the overvalued dollar. For the dollar bonanza is not just a harmless speculative fad, like a speculative bubble in rare postage stamps or busted Chinese bonds. An overvalued currency is more like a narcotic addition — the greater the high and the longer it lasts, the less of the addict's health is left by the time the habit is broken.

Samuel Brittan will resume his column next week.

Lombard

Life assurance on the hook

By Barry Riley

BEHIND THE scenes, an extraordinary row over the disclosure of commissions is causing turmoil within the life assurance industry. As part of its new investor protection policy framework, the Government is attempting to impose a new principle of "equivalence" upon different investment media. It might seem unremarkable that the Government should try to impose similar regulatory standards upon life assurance and, say, investment in securities. In practice, the proposals are dynamite.

Disclosure has never been life assurance's strong point. Mumbo-jumbo about reversionary bonuses and the like has been deliberately developed to cow an almost wholly ignorant clientele.

The Government has put the cat among the pigeons by insisting that intermediaries (such as independent insurance brokers) who profess to select the best policies from the vast range on the market should disclose the commissions they receive. The idea is that clients should be aware that the higher commission paid on one policy rather than another might just affect the adviser's judgment.

But tied agents who only profess to represent one company will not have to disclose their remuneration because they are not holding themselves out as independent.

Howling with anguish, the independent intermediaries and the companies which sell through them are attempting to find ways out of disclosure, which they justifiably fear would kill many prospective sales stone dead. Two possible routes are the invention of a bogus "tied" status, and the development of a standard commissions scale which might satisfy the Government's doubts about independence of judgment.

But there is another route, which is simply to extend disclosure right across the industry. The new Marketing of Investments Board could insist that all clients were told how much of their premiums was going into life cover and investments, and how much was swallowed up by commissions, front-end loading and annual charges. Unit trusts have been doing this for years.

The industry fears that business would slump if clients realised how little of their first year's premiums went into ultimate investments. So, for a time, it might. But there would also be a more positive effect. The industry would have a powerful incentive to develop more economical marketing methods.

Ask an insurance man why commissions on life or pensions business need to be so high, and he will tell you that it is because for every completed contract the salesman has drawn an expensive blank on nine other calls. The successful deal has to pay for the unsuccessful ones.

But by any token this is a highly inefficient marketing process. Given that personal pensions are going to require increasing expertise on the part of the salesmen, the system threatens to become even more wasteful in its misuse of skilled manpower.

There is now an opportunity for the new regulatory body, the Marketing of Investments Board, to enforce much greater disclosure with two particular objectives in mind. One is to open the way for the introduction of the mass retailing of standardised products at low charges, perhaps through chain stores. The other is to encourage the growth of a new category of independent adviser who will give unbiased advice for an honest fee paid by the client (the public would have to get used to the fact that good advice cannot be cheap).

At present, such advisers are handicapped by the willingness of a gullible public to swallow the line that advice from a broker or a tied agent comes free.

Unfortunately the MIB as it stands is packed with representatives of traditional brokers and direct selling life offices who are much more likely to spend their time squabbling among themselves than in opening the way for entirely new marketing techniques.

In the coming months the life industry will wriggle deperately to be let off the disclosure hook. It must not be allowed to succeed.

Letters to the Editor

Action this day

From the Managing Director, Rapaway.

Sir,—Why is it a surprise, a delightful but rare surprise, to find a company which makes the decision to install equipment just two days after analysis indicates a saving of £1,000 per month? Usually it takes 12 to 24 months! Assuming that the management agree the savings estimates, is it not incompetence somewhere to delay implementing such proposals? The reasons for delay tend to be financial; "we are not allowed to spend capital" (for a 7 week payback), "we have used our allocation of capital" (where a net positive cash flow was offered for the first months and then the full havings accrued once the capital had been paid for from surplus savings), "we must look carefully at alternatives" (which takes so long that the lost savings exceed the cost of the equipment) . . . etc. Although I know our equipment is particularly good value I supposed that perhaps we were bad at selling it; but I hear that many are finding British industry is loath to spend capital because it has that name (even when the cost is less than the corresponding saved revenue).

The boiler man can pick up the internal phone and spend £5,000 on coal. The engineer may analyse and struggle to reduce the expenditure on coal by £5,000 but because the accountants classify one pocket of green notes as different from the other, he may not spend anything to achieve the results. No wonder engineers are denigrated and city slickers (and in their way boilermen) admired. I find I am not alone in believing that the unemployment is largely caused by the accountants.

Were it not for the reluctance of directors to accept even positive cash flow offers eagerly, our employment would double. If ideas from 1,000 small companies like ours had been implemented some while ago, a major group would not even have had to have a rights issue! Perhaps our Chambers of Commerce should start a club restricting membership to those who act on good ideas within the week.

(Sir) Savile Burdett.
35, Park Avenue,
Solihull, W. Midlands.

Demonstrations in Iran

From Mr M. Khonsari

Sir,—In her article (May 18) regarding the peaceful demonstrations that were held in Iran the day before at the request of Dr Shapour Bakhtiar, leader of the National Movement of Iranian Resistance (NAMIR), Kathleen Evans made a serious error. She reported that the "People's Mojahedin Organisation" had telexed "all major companies" in Iran, asking them to alert people to Mr Bakhtiar's request.

Quite apart from the fact that a small band of leftist dissidents do not constitute "the main opposition" to Khomeini, it would be highly unlikely that the Mojahedin would act in support of any initiative that is undertaken by Dr Bakhtiar or NAMIR.

In fact, it was NAMIR that sent more than 3,000 telexes as part of a major campaign involving a number of other significant steps, which ensured the success of the demonstrations and alerted the outside world to the fact that Iranians are sick and tired of Khomeini and would accept the leadership of Shapour Bakhtiar.

Mehrdad Khonsari.
For the Executive Council,
NAMIR-NK,
P.O. Box 313,
London, W2

Court of Human Rights

From the Director, British Institute of Human Rights

Sir,—Your leader "U.K. and the Court of Human Rights" on May 30 deals substantially and very well with the immigrtion question following the decision of the European Court of Human Rights that the U.K. was in breach of the European convention of human rights in not allowing three foreign husbands to join their respective wives resident in the U.K.

It is not quite correct, however, to say that the number of cases reaching the court from different countries depends on whether its citizens have direct access to the court. Only the Commission, or the Government concerned, can refer a case to the court. What your leader writer had, no doubt, in mind was direct access to the Commission, without which a case cannot come before the court. About 96 per cent of such individual cases are declared inadmissible by the Commission and even admitted cases may never reach the court as they may be settled before the Commission or decided by the Committee of Ministers.

I agree with the reason given that there may be a comparative lack of domestic remedies as the U.K., alone of the member states, has neither a written constitution nor effective Bill of Rights. Another important reason is the great activity, not seen in other member states, of specialist non-governmental organisations in sponsoring individual cases.

I hold records of all admitted individual cases and in particular have just completed a report on all cases against the U.K. resulting in various forms of positive action being taken by HMG. It is intersting to note that such action has taken place in all cases where the court or Committee of Ministers has found a violation by the U.K., or where the Commission has approved a settlement between the parties at an earlier stage.

A. B. McNulty
17 Russel Square, WC1

People are the problem

From Mr J. T. Cope

Sir,—One reason why it takes longer to rebuild escalators (Anatole Kaletsky, May 17) than it took to build entire stations is that the re-builders have passengers to contend with.

Much of the heavy work can be done only in the few short hours at night when the station is closed to the public. This explains the apparent lack of activity at times. The only practical alternative—closing the station completely—is unlikely to appeal to passengers.

J. T. Cope,
Operations Director,
London Underground.

Underground movement

From Mr N. Hopkins.

Sir,—Before Anatole Kaletsky becomes too depressed with his comparison of Victorian construction engineering with that of today (Lombard, May 17) I wonder if I may draw his attention to the current Docklands Railway Contract?

Here the Mowlem/GEC joint venture is designing, constructing and commissioning some 8 miles and £58m of very sophisticated passenger railway, in little more than two years. None of it is passing through the undisturbed underground enjoyed by our ancestors; it is all on the busy surface. Some follows old railway viaducts while the rest uses new ground-level and elevated structures, including the spanning of the Millwall Docks in the Isle of Dogs.

The fact that Mowlem was responsible for constructing much of London's original "tube" may be deemed to give us a bit of a start. More probable is the fact that the "turnkey" form of contract gives GEC and ourselves total responsibility for delivering the system. Even so, a work rate of £2m or more a month should give Anatole Kaletsky something to cheer about.

N. Hopkins,
John Mowlem and Co.
Westgate House
Ealing Road, Brentford.

Airports and passengers

From the Chairman, Cass Group

Sir, — The squabble between British Airports Authority and British Airways illustrates again the low priority they give to the requirements of passengers. The passengers continue to suffer the discomfort of overcrowded facilities and pay the bills for this waste of money.

Since the design and building of Terminal 4 there must have been sufficient time to decide how to use the building. If British Airways does not wish to move, let the other airlines do so, who will I am sure appreciate the new facilities and make good use of them in the interest of their passengers.

Eric V. Cass.
Crabtree Road, Thorpe, Egham, Surrey.

Violence on TV

From Mr M. Tidmarsh

Sir,—Christopher Dunkley in "Brutality and Compassion," (June 1) writes that he is "aware of no evidence to show that even the disgusting quantities of violence in today's fictional (TV) series . . . has any effect on our reactions when it comes to the real thing."

Earlier he comments that only a recluse would fail to know from experience that "men and women all over Britain broke down and cried" at the scenes from Heysel Stadium.

Perhaps he would explain the conditions under which experience may be counted as evidence? In any event were his second (quoted) comment true what bearing do the responses of compassionate TV viewers have on the actions of those, presumably other, viewers who engage in violence?

Mannes Tidmarsh.
The Old Court,
Greens Norton,
Near Towcester, Northants.

FINANCIAL TIMES
Thursday June 6 1985

Diana Smith on Portugal's efforts to salvage stability from political confusion

Lisbon's split stuns partners

PORTUGAL's President Antonio Ramalho Eanes and Sr Mario Soares, the beleaguered Socialist Premier, were meeting last night in an attempt to salvage some stability from the confusion generated by the peremptory decision of the minority Social Democratic Party (PSD) to abandon the two-year-old centre left coalition on June 13.

The country will thus become the first EEC member whose Government collapses with a week's notice, 24 hours after the ceremonial signing of its treaty of accession.

This peculiarity has stunned future European partners, Nato allies whose foreign ministers hold their spring council meeting in Estoril this week, and international creditors who had timidly begun to believe stability was at last seeping into a nation with a $15bn foreign debt (equivalent to more than 70 per cent of GDP) and whose byzantine politics have sometimes unnerved sophisticated financiers.

Bearing in mind that accession treaties must both be signed by a representative government and ratified by the Portuguese parliament, President Eanes and Sr Soares face a daunting challenge. Sr Soares wants to be the next president, but first, like the head of state, he yearns to avert upheaval on the eve of Portugal's transition from generations of isolation into acceptance into the European Community.

The PSD's bid to end the coalition in the view of Sr Anibal Cavao Silva, its new leader, is a move to wipe its slate clean, rally round a conservative presidential candidate, Professor Diogo Freitas do Amaral, and march to victory on the slogan of drastic financial, industrial and agricultural reforms.

Constitutionally, President Eanes faced three options last night.

He could invite Sr Soares to steer a minority caretaker government up to the presidential election. With 36.7 per cent of parliamentary seats in 1983, Sr Soares would have to try an exhausting juggling act which, it is clear, the confident PSD and Sr Cavaco Silva, would do all they could to block.

Sr Cavaco Silva has left no doubt since the announcement of the PSD's pull-out that he believes he is on a winning streak. Should the President and Sr Soares try the minority government option, the PSD would be likely to move in for the kill, forcing a motion of confidence which Sr Soares could only win if he wooed communist support – anathema to him and unlikely from the communists' point of view.

The second option is appointment of a presidential government – an experiment President Eanes tried three times in 1978-79 without success after Sr Soares's shaky coalition with Prof Freitas do Amaral, then head of the Christian Democrats, fell through.

There are signs that the PSD and Prof Freitas do Amaral would relish this option – a stop-gap administration appointed by a lame-duck head of state would be boycotted by parliament. Its difficult survival would have the double effect of discrediting presidential administrations and ending President Eanes's own long-range political ambitions, which are still not entirely clear but which require, in principle, that he end his mandate in a position of strength.

Third, President Eanes could choose to dismiss parliament and call a snap general election before the autumn. In theory, that may clarify the parties' standing with 7m election-weary voters. In practice, recent polls illustrate that the voters are so tired of party political antics (particularly those of the PSD, which has changed leaders nine times in 11 years) that parties across the spectrum have all-time low ratings.

Whatever the outcome, Portugal seems doomed to political uncertainty until presidential elections determine where the voters want to go: sharp right, behind the Christian Democrat Prof Freitas do Amoral, who fretted at being number two in several governments; or on with the Democratic Socialist Sr Mario Soares, who set Portugal on a course for Europe eight years ago. Now, thanks to the PSD's insistence on dismembering the Government, Sr Soares faces ceremonies next week in the cloisters of the Jeronimos monastery in Lisbon that will have a hollow ring instead of a note of well-deserved jubilation.

Vested interest groups such as the communists and the farmers' confederation have already protested that a lame-duck government is unqualified to sign EEC treaties; but preparations for the ceremonies continue.

Portugal's moment of showing Europe it is ripe for full partnership is now clouded by a deep-seated trait in the Portuguese political ethos: the urge for a showdown however inapt the timing, however grave the consequences.

India threatens to make N-bomb

By John Elliott in New Delhi

A CLEAR warning that India may decide to develop nuclear weapons if it obtains positive proof that Pakistan has a similar weapon has been issued by Mr Rajiv Gandhi, the Indian Prime Minister, in advance of his visit next week to the U.S.

Mr Gandhi wants the U.S. to halt the Pakistan programme. Speaking before he left on his foreign tour yesterday, Mr Gandhi made his most outspoken comments yet about India's attitude.

"We would really have to rethink all our policies," he said. "We would have to reconsider our own options."

India would have to consider "how we can counter a nuclear weapon right across our border," he said. "We are not developing a nuclear weapon programme at the moment and would not like to do so."

The use of the phrase "at the moment" is intended as a direct warning that if Mr Gandhi does not receive enough assurances from the U.S., India would consider reactivating its nuclear weapons programme which Mr Gandhi said was stopped after a test explosion in 1974.

"We exploded an experimental device in 1974 and we have not carried out any more work on that line at all. We have not exploded any more devices. We have not stockpiled. We do not have nuclear weapons", he said.

Following similar warnings by Mr Gandhi earlier this week, it is clear that he intends to make Pakistan's nuclear weapon capability a central issue in the U.S. He will also raise it in Paris because France has aided Pakistan.

He said there was a "lot the U.S. could do" because it had allowed Pakistan to be exempted from the Symington Amendment – under which foreign aid is withdrawn from countries suspected of taking part in nuclear projects – and had also taken a soft line over export of nuclear triggering devices.

Since 1974, India has been developing a nuclear power programme and has made considerable progress developing its own technology. It has five reactors totalling about 1,000MW in operation and another five are planned to bring the total to about 2,200MW by 1990.

U.S. faces dilemma over its ties with Asia, Page 4

THE LEX COLUMN

Scrambled eggs in the City

The Stock Exchange's failure to agree on constitutional reform may be less than a disaster for the new City, since in some ways it will be possible for the Exchange itself to go on as if nothing untoward had happened.

Full ownership of stock exchange firms by outsiders will, even now, permit new capital to come into the market and underpin the dual-capacity dealing system that is to come into place after the Big Band. Yet the admission of outside firms to the central market will not, after yesterday's reverse, be accompanied by a suitable role in the government of the Exchange, for the planned transition from individual to corporate membership has now gone by the board.

At first sight this may not matter too much: the failure to establish a market in the shares of the exchange makes it difficult to charge an entrance fee at all, so entrants would only subsequently suffer from taxation without representation. And because it becomes impossible for members to realise their equity in the exchange, the votes cast against the constitutional resolution must figure among the more remarkable instances of City altruism.

Against these relatively comforting reflections, there is a danger that some large foreign firms will decide not to bother with the central market; and since the Bank of England's plans for regulation of the gilt-edged market rest on the assumption of exchange membership, they will certainly need to be redrawn, perhaps reconsidered altogether.

If the gilt-edged market were to escape from the Stock Exchange, the Bank would presumably have to police that market directly – a development which might not be to everyone's taste.

Abbey Life

When ITT worked itself into a disposing mood, it was not hard to see that 1985 was a good year to float off Abbey Life. Whatever may be the case in traditional life companies, Abbey resembles its half-brother Hambro Life in being able to predict the actuarial surplus two years out with a fair degree of certainty from this year's total of initial commissions. That means that declared profits for this year and next should be moving forward very comfortably, with the growth rate only beginning to slacken in 1987.

For a slowdown to be so predictable might have been a little discouraging, were it not for the nicety of timing by which Abbey published its prospectus in the same week as the Government's paper on pensions set out the next big growth opportunity for the life companies, so increasing the valuation of the entire life sector.

As it is, not even the large size of the issue (which establishes a new private sector record of £243m) should hinder the shares from going to a substantial premium. Like privatisation issues, which have been priced with a view to keeping the market sweet for their successors, Abbey is being floated off at a level which should keep ITT in reasonable odour with underwriters – despite the post-rights tribulations of its former subsidiary STC. Assuming that Abbey produces the forecast 1985 surplus of 11.8p per share the multiple of 15.3 times leaves enough to keep the aftermarket bubbling; on yield alone Abbey could be expected to sit more naturally at about 200p than the 180p offer price.

Wellcome

The Wellcome Foundation may have blinked a little yesterday in the first full glare of City interest; but it produced a profits performance for the six months to February that compares favourably with the public pharmaceuticals companies it will join next year. On this basis, the notional market capitalisation of £1.5bn dreamed up on the backs of envelopes is looking much less fanciful.

Admittedly, a good third of the profits increase occurred through favourable exchange rates. It is hard to think of a company better equipped to benefit from a strong dollar and weak sterling, or suffer from the reverse. But it is Wellcome's very exposure to the unregulated U.S. market – accounting for 50 per cent of sales – that makes it so attractive and should provide U.S. investor interest even in the mere 20 per cent on offer.

Wellcome's present holders may eventually decide that they can find a better yield by selling out entirely but for the moment Wellcome will be bid-proofed; for this reason alone, it should not command a premium rating. Wellcome's strength in anti-viral medicines is interesting, but even opulent research and development spending cannot create a Zantac for the City's convenience – and Wellcome might with advantage consider appointing a research director before flotation. None the less, prospective earnings of £100m for 1985-86 would be the soundest of beginnings. Institutions wishing to maintain their sector weighting may even have to shop elsewhere – unless the Foundation decides to raise some cash for itself.

Burton/Debenhams

Burton's offer document does not in itself give Debenhams shareholders a great deal more to chew on – although the soft-focus pencil sketch of a remodelled store on the cover certainly gives a clue to the way Burton will be marketing the Galleria concept to institutions as the campaign grinds on. This may be a piece of high-financial retailing that Debenhams will find hard to under-sell in the coming weeks.

What the pencil drawings cannot show, however, is the cost per square foot of the proposed treatment – replete with enough glass-work and escalators to make the architectural profession drool in anticipation of a Burton victory. For Burton to argue its case convincingly it will have to make the cash-flow sums add up as well as demonstrate that it can create more attractive stores from the portfolio that it is trying to buy.

This will hinge mainly on whether, by providing much easier access and visibility for upper floors, Burton can achieve sales densities which establish a significantly higher rental value for them. If it can, that paves the way for property revaluations, favourable partnership deals with developers, and everybody will end up quids in. But at present the Debenhams share price still suggests that unless Burton can win the poker game, as well as the retailing arguments, it may have to pay more – and risk overturning the calculations which made the game worth playing.

Greek PM calls for better U.S. relations

By Andriana Ierodiaconou in Athens

MR ANDREAS Papandreou, Greece's Socialist Prime Minister, made a strong pitch for warmer Greek-U.S. relations as he began a second four-year term in office yesterday. He did not, however, renounce the goal of ending the five-year agreement governing the operation of the U.S. military bases in Greece when it rolls over at the end of 1988.

Dr Papandreou called on Washington to recognise clearly the problems Greece faces mainly in terms of its troubled relations with Nato neighbour Turkey. Athens would, for its part, take pains to explain carefully that whatever provisions taken had to do with Greece and were not intended to be offensive or inimical to the U.S.

The Prime Minister, who won a sweeping victory with a 5 per cent lead over the Conservative opposition in last Sunday's general elections, said his Government remained committed to creating a nuclear-free zone in the Balkans involving the removal of U.S. nuclear weapons deployed in Greece in the early 1960s.

Mr Papandreou said there was no change in Greece's policy towards Nato.

The one definite foreign policy shift indicated by Mr Papandreou is a clear cut commitment to stay in the EEC.

The Prime Minister said that Greece looked forward to operating in a "Mediterranean front" with Spain and Portugal.

Papandreou keeps key party, Page 3

Europe urges U.S. not to breach treaty when Salt II ends

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT, IN LISBON

THE EUROPEAN members of Nato will press the U.S. not to breach the Salt II Strategic Arms Limitation Treaty after its technical expiry at the end of this year, at a two-day meeting of the alliance's ministerial council which begins here today.

Although the 1979 treaty has not been ratified by the U.S. Senate, both Washington and Moscow have agreed to abide by its terms. As far as the European members of Nato are concerned Salt II is an essential pillar of the arms control structure.

European concern about the lobbying by hardliners in the U.S. Administration in favour of the abandonment of Salt II on the alleged grounds that the Soviet Union has already violated the treaty was one of the topics discussed over lunch yesterday by Mr George Shultz, the U.S. Secretary of State, and Sir Geoffrey Howe, the British Foreign Secretary.

Sir Geoffrey is understood to have conveyed to Mr Shultz the British Government's conviction that nothing should be done to allow the East-West disarmament process to be undermined, and to prevent the Geneva arms control talks between the U.S. and the Soviet Union from being brought to a successful conclusion.

The abrogation of the Salt II treaty would be considered by the UK and other European governments as hammering a nail into the coffin of the Geneva arms talks.

European officials here believe that Mr Shultz would welcome the expression by the European allies of their views on Salt II, as this would strengthen his own and his fellow moderates' hand in the debate raging within the U.S. Administration.

President Ronald Reagan has given himself until Monday to announce his policy of Salt II to Congress. Over the last 48 hours there have been persistent reports from Washington that a compromise is in the offing.

The proposal which the U.S. President is said to be considering, is that a Poseidon nuclear submarine would be put into dry dock for an indefinite period, when a new 24-missile Trident submarine, the U.S.S. Alaska, starts sea trials after the summer. This would prevent the U.S. from exceeding the 1,200 Salt II limit on multiple warhead missiles.

Washington's priority at today's ministerial meeting will be to obtain a firm statement of support from its Nato allies for President Reagan's Strategic Defence Initiative (SDI) – the star wars project.

However, given the reservations about the project of some of the allies, such as France and Denmark, Mr Shultz cannot realistically expect as strong a commitment in the final communiqué as he would like.

The main problem will be to reconcile France's position in favour of a European space defence project with that of the other allies, but it was clear last night that both Washington and Paris were in a mood to compromise.

The main objective in the communiqué will be to stress alliance unity over and above disagreements about specific issues, so as not to give the Soviet Union the impression that it can drive a wedge between the U.S. and its allies.

Editorial comment, Page 24

Bonn impatient on Paris delay of European fighter project

BY DAVID MARSH IN PARIS

WEST GERMANY has joined Britain in expressing irritation over French intransigence which is claimed to be holding up agreement over the five-nation European fighter aircraft (EFA).

Remarks at this week's Paris air show by Herr Manfred Wörner, the German Defence Minister, have brought to the surface the threat that Bonn could opt for co-operation with the U.S. as an alternative to the EFA.

Herr Wörner has already ruled out existing British and French designs as the basis for the EFA.

Officials from Messerschmitt-Bölkow-Blohm (MBB), the Munich-based aerospace group, say that reluctance by Dassault-Breguet, the French manufacturer of Mirage jets, is one of the root causes of discord over the plan to build 1,000 fighters for the 1990s.

MBB, which has been carrying out design work for seven years with McDonnell Douglas of the U.S., has come up with its own concept of a delta-winged highly manoeuvrable fighter for air-to-air missions which it believes would fit the German Luftwaffe's requirements for the next decade.

Complementary design studies have also been carried out over the last four years with Northrop of the U.S. by the other main German aerospace group, Dornier.

McDonnell Douglas regards the MBB-led design as the basis for a possible German-U.S. aircraft. This would be the Federal Republic's most likely fallback for a new fighter should the five-nation talks break down this summer.

McDonnell Douglas, which builds both the F15 and F18 fighter jets now in service with the U.S. and allied air forces, is adding expertise to the German EFA concept in the form of avionics and low-weight structures. Crucially the MBB/McDonnell Douglas and Northrop/Dornier research work is based on the use of General Electric F404 engines – which would ensure a significant overall U.S. component in any future German-designed aircraft.

McDonnell Douglas believes it could also make available to the Germans highly sensitive knowhow on stealth technology. This involves ways of lowering aircraft detectability by radar, or infra-red and electromagnetic sensors, through the use of composite materials and specialised engineering methods.

The degree of transfer of stealth technology would, however, be designed to maintain a U.S. lead in this area, aerospace officials say. Significantly, the U.S. would want its planned Advanced Tactical Fighter – currently being worked on in the design phase by seven U.S. aerospace groups, and incorporating significant stealth features – to be in the air well before any European aircraft containing equivalent technology.

Messerschmitt and Dornier, like British Aerospace, are seeking 25 per cent industrial participation in EFA – a position incompatible with Dassault's claim for a much larger share.

Aeritalia, the Italian aerospace company, would be the junior partner together with Case of Spain in the five-nation EFA consortium. Aeritalia officials at the show said that, if the five-nation talks failed, a satisfactory fallback would be to build a fighter jointly with Britain and Germany profiting from the closeness of the three countries' military requirements for an air superiority fighter.

UK to develop Stansted as a London airport

Continued from Page 1

tary, suggested that the cost of the first phase of the development would be about £270m ($338m). The airport would have to earn a full commercial rate of return on the investment without government subsidy.

The White Paper's proposals won support from many Tory MPs who had previously been critical of the Government's approach to airport policy. There were only a small number of vocal Tory opponents, mainly representing constituencies near Stansted.

There were strong attacks by opposition MPs, however.

Sir Norman Payne, BAA chairman, welcomed the development of Stansted, saying it was "excellent news for the British air transport industry." It put an end, he said, to 25 years of uncertainty.

The BAA was also delighted that the authority would come to the stock market as a single entity. It has campaigend hard against suggestions of a break-up. Sir Norman said it made an early and successful flotation possible.

This view was broadly shared by the City of London last night. Rough estimates put the stock market value of the BAA at about £500m to £600m.

Row over car pollution plan

Continued from Page 1

man demand for the level to be cut to only 2.5 grammes

Even so, the industry insisted last night that the proposed emissions could be met only by the use of expensive catalytic converters. Ford protested: "They appear to represent very severe limits indeed."

British officials in Brussels insist the Commission's proposals "bear no relation to technical reality," at least as far as medium-sized vehicles are concerned. The initial reaction of the Germans was equally scathing because the suggested emission limits are much less stringent than hoped for.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	25	77	Dubrovnik	S	26	79	Malaga	F	26	79	Salzburg	S	28	82
Algarve	F	26	79	Faro	F	21	70	Malta	S	26	79	Seoul	S	29	84
Algiers	S	26	78	Florence	S	29	84	Manila	—	—	—	Singapore	—	—	—
Amsterdam	C	15	58	Frankfurt	F	26	79	Miami	S	25	77	Stockholm	F	15	58
Athens	F	27	81	Funchal	C	21	70	Milan	S	26	78	Strasbourg	F	27	81
Bahrain	S	32	90	Geneva	F	23	73	Moscow	C	16	61	Sydney	S	15	59
Bangkok	—	—	—	Gibraltar	F	24	75	Munich	S	26	79	Taipei	—	—	—
Barcelona	F	21	70	Guernsey	C	13	55	Nairobi	—	—	—	Tangier	—	—	—
Beirut	—	—	—	Helsinki	R	9	48	Naples	S	28	82	Tehran	—	—	—
Belgrade	F	26	79	H. Kong	R	27	81	New Delhi	S	36	97	Tel Aviv	S	25	77
Berlin	F	30	86	Innsbruck	S	25	77	New York	R	17	63	Tenerife	F	25	77
Biarritz	S	28	82	Inverness	C	9	48	Nice	F	23	73	Tokyo	S	27	81
Blackpool	C	16	61	Istanbul	F	25	77	Oporto	R	16	61	Toronto	C	14	57
Bordeaux	S	24	75	Jersey	C	14	57	Oslo	S	19	66	Tunis	S	28	82
Brussels	F	21	70	Jo'burg	—	—	—	Paris	C	23	73	Valencia	S	25	77
Budapest	S	25	77	Las Palmas	C	25	77	Prague	T	28	82	Venice	F	26	79
B. Aires	—	—	—	Lima	—	—	—	Reykjavik	F	8	46	Vienna	S	26	79
Cairo	S	32	90	Lisbon	C	19	66	Rio de Jo	—	—	—	Warsaw	S	25	77
Cape Town	S	18	64	Locarno	C	19	66	Rome	F	28	82	Zurich	S	25	77
Caracas	—	—	—	London	C	17	63								
Casablanca	—	—	—	Los Angeles	S	15	59								
Copenhagen	F	21	70	Luxembourg	F	22	72								
Corfu	S	28	82	Madrid	F	22	72								
Dublin	R	11	52	Majorca	F	25	77								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Upset in London SE reform vote

Continued from Page 1

members should be able to realise some value if they so wished from their proprietorship by the sale of shares. The constitution of the stock exchange remains unchanged and the shares will not be transferable.

"This vote is less crucial to the future competitive position of the stock exchange and of its member firms. Most people trying to gain support of a proposal would be very happy with 73.64 per cent. I am, however, sad because the opportunity has been lost to reform the constitution and to ensure a closer identity in the future between the firms who will be largely paying for the stock exchange's services and the government of the stock exchange.

"We will have to seek other ways of solving this difficult problem, maybe by making changes in due course to the method we form policy."

He added: "We will also have to reconsider the manner in which firms who apply for membership on the stock exchange will be asked to pay for entry. I am not hopeful that we can find any other change to the constitution of the stock exchange which would be acceptable to the required majority."

"Meanwhile the way is open for the council to alter the rules to permit the necessary commercial changes in our market: and this, with the very encouraging support of the members, we will do."

He said that the support for the main resolution allowing outsiders into the exchange "shows the good sense and keen understanding of the members. They know that the future health of the national market in securities depends on making changes which will retain the bulk of securities business in this country within our competitive stock market"

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SECTION II – COMPANIES & CAPITAL MARKETS
FINANCIAL TIMES
Thursday June 6 1985

Warner may face new bid battle

By Terry Byland in New York

WARNER Communications, the film and entertainment group, rose by $1¾ to $28⅝ in New York yesterday as a serious dispute with Chris-Craft industries, its largest stockholder, seemed to put Warner on the takeover block once more.

Chris-Craft, which took a 24 per cent stake – later raised to 29 per cent – in the film company last year in a deal which effectively held off Mr Rupert Murdoch, the Australian newspaper and TV magnate, said in an SEC filing that it had ended discussions with a Warner management group regarding a proposed buyout and was considering making a tender offer for Warner, either alone or with others.

The move follows hints of a serious rift between Chris-Craft, headed by Mr. H. J. Siegel, and Warner board members led by the chairman, Mr Steve Ross, who has sought to make the company private through a buyout.

Warner turned in an increased loss of $586.1m last year, despite disposal of the loss-plagued Atari computer unit, and has been selling assets.

How the Scandinavian airline plans to double profits

Flattening the SAS management pyramid

BY DAVID BROWN IN STOCKHOLM

SAS, the Scandinavian airline, after successfully engineering one of the most remarkable turnarounds in the history of the industry, is now trying to pull yet another rabbit out of its hat.

Faced with a major SKr 25bn ($3.01bn) fleet replacement programme, the group is seeking to double its profits before extraordinary items immediately from the SKr 792m achieved last year, to implement a far-reaching and potentially controversial organisational change and to improve cost-efficiency by 25 per cent over the next five years.

It seemed well on its way towards the first goal until several recent setbacks. For the first six months to March, group profits after financial items climbed more than the SAS Service Partner subsidiary returned to profit, and all signs pointed to an SKr 1bn plus year.

Then came the double shocks of large Danish and Swedish strikes which shut down the vital Copenhagen and Stockholm airports, and cost the airline an estimated SKr 350m in the second half.

Mr Jan Carlzon, the group's president, now predicts its full-year result will only be "on level" with the 1983-84 figure – although independent analysts are slightly more optimistic.

It was Mr Carlzon who pushed through a restructuring scheme that took the airline from losses of SKr 88m in 1980-81 to profits of SKr 292m, SKr 583m and SKr 792m in the three consecutive years.

The scheme involved cutting unprofitable routes, decentralising the organisation, introducing a special business class service for full-fare paying passengers and improving both punctuality and the quality of customer service.

As a result the group boosted its passenger traffic some 25 per cent during the period in an otherwise stagnant market, improved its market share of full-fare paying passengers and increased its average load factor from 59 to 64 per cent.

Moreover, the group began to offer a "total travel package," including hotel accommodation and ground transport, although it is still the airline which generates nearly 90 per cent of the group's earnings and almost 80 per cent of its turnover.

Today, its immediate problem is how to cope with the high costs of operating out of the Nordic area – 20 per cent above the average in the 20-member Association of European Airlines – and to generate the reserves required to finance the replacement of its entire fleet of 60 DC 9s starting in the late 1980s.

"The capacity expansion is on the low side relative to the traffic growth we are experiencing both on the European side and on the domestic Swedish and Norwegian markets," says Mr Nils Molander, the finance director.

A SKr 3bn annual investment over 10 years requires income after financial items of between SKr 1.3bn and SKr 1.5bn, and "we have to cut our cloth according to profit levels ... if profits aren't good enough we can't go on investing."

Moreover, the management faces the longer-term problem of positioning SAS for an expected relaxation in the European regulatory environment.

"Our goal is to be able to survive and expand in an environment of free competition," says Mr Carlzon. "We know – as Air France and British Airways know – that if the market were thrown open today we wouldn't stand much of a chance."

Mr Carlzon has set out three major objectives for the group in a new five-year plan announced last week.

First, the airline must improve its hub and route structure in a continuing attempt to be "the preferred airline of frequent business travellers." Second, to take better control over its sales and information system and also to improve its cost efficiency by 25 per cent in five years.

SAS plans to introduce a more frequent shuttle-type flight service in the Scandinavian market, which makes up some 19 per cent of total air traffic revenue, to make better use of its existing resources. The frequency strategy also applies to the more competitive intercontinental routes but is subject to more difficult negotiations.

In Europe, which makes up 50 per cent of total air traffic revenue, the group hopes over the next five years to introduce a more flexible pricing system to improve load factors from already relatively high levels and spread demand.

SAS currently has two fares on its European routes – economy and promotional Apex-type. But "this price instrument is fairly coarse today," says Mr Molander. "If we could have a wider spectrum of low fares which were directly linked to cabin factors on specific days, we could work the market much better.

SAS is developing a new information distribution system which is aimed at making it possible to fine-tune fares up to the final moments before flight-time.

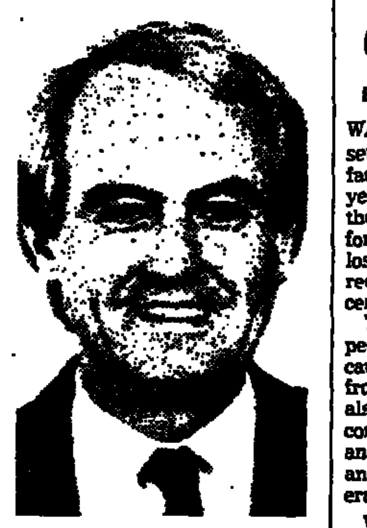
The group is also working to develop Copenhagen's Kastrup airport as an important European gateway, in hopes of reversing the gradual loss in long-haul Scandinavian traffic to airlines using other Continental terminals such as Schiphol which have the advantage of better transit and shopping facilities.

In the long-run the efficiency drive is perhaps the most potentially controversial part of Mr Carlzon's five-year plan. SAS has begun negotiations with its 38 unions in Norway, Denmark and Sweden in an attempt to introduce what, by European standards, is perhaps an unheard of degree of flexibility in job definition.

"The aim is to handle many more passengers with less input of capital and costs," says Mr Molander. "Our whole cost structure is geared up to peaks. Imagine what kind of efficiency you would have if all your check-in counters were staffed by administrators during the peak hours."

What this means in practice is that SAS hopes over the coming months to flatten out its management pyramid, eliminating several layers of middle-level administrators and increasing the number of front-line personnel.

An airline could not carry more passengers than its station and sales people, or stewardesses could handle, Mr Carlzon said. "If we could use our existing resources to extend our 'frontline', we could automatically increase our potential market without adding costs."



SAS president Mr Jan Carlzon

How realistic is this strategy? "This is going to create a lot of problems for us," admits Mr Carlzon. "We'll have conflicts, but we've got to work with our people to get them to see this is in our common interest."

Wang set for loss in fourth quarter

By Our New York Staff

WANG Laboratories, the Massachusetts-based office equipment manufacturer, gave a further indication yesterday of the problems facing the U.S. computer industry when it forecast a fourth-quarter operating loss for fiscal 1985 and said it was reducing its workforce by 5 per cent, or about 1,500 people.

The company said lower than expected levels of business had caused a build-up in stocks. Savings from cost-cutting programmes had also been less than expected. The company said it had "delayed salary and wage increases for six months and taken other action to reduce operating costs."

Wang said it expected to be profitable for the full year and to see a recovery in fiscal 1986. Profits were already down by about one third in the first nine months of this year, and the swollen inventories will require "valuation adjustments" at the year-end.

Last year, Wang earned $73.7m, or 52 cents a share, for the final quarter and $210.2m – $1.52 per share – on sales of $2.2bn for the full year.

The company has suffered both from the slowdown and tougher competition in the U.S. small business computer market and from the strength of the dollar, which hurts it in overseas markets where it sells nearly a third of its products.

Wang stock made a delayed start in New York yesterday and later slipped by $¼ to $18⅜. Other computer and high-technology stocks, which have recently absorbed poor trading news from elsewhere in the industry, including a warning on second-quarter profits from IBM, remained firm yesterday as Wall Street soared to new heights.

Wang is a leading producer of word processors, which represent about 40 per cent of revenues, and also produces small-to-medium computers.

BankAmerica credit rating cut by S & P

By William Hall in New York

STANDARD & POOR'S, the U.S. credit rating agency, yesterday lowered BankAmerica's commercial paper ratings following the bank's admission that it would probably only break even in the current quarter.

S & P, which had already cut the group's long-term debt ratings in March, yesterday lowered its rating on BankAmerica's paper from A-1 plus to A-1. This will increase its cost of borrowing and, more seriously, again highlight the concern of the investment community about the bank's performance.

Some Wall Street analysts now wonder whether BankAmerica will cut its dividend, which has been held unchanged at 32 cents a quarter for several years.

On Wall Street the bank's shares continued to fall in heavy trading yesterday. By lunchtime they were standing at $19⅝ – down 25 cents. Several analysts have downgraded their 1985 earnings estimates for the company to between $1.80 and $2 for the full year compared with $1.77 in 1984.

Earnings improve strongly at CGE

BY DAVID MARSH IN PARIS

COMPAGNIE Générale d'Electricité, the French nationalised engineering and electronics conglomerate, boosted consolidated group net profits last year to FFr 797m ($85.7m), 25 per cent up on its restated earnings of FFr 636m in 1983.

The share of the profit accruing directly to the CGE group was FFr 591m, a rise of 56 per cent from 1983.

Total turnover rose to FFr 74.1bn from FFr 62.5bn, of which FFr 62.1bn represented companies controlled by CGE and FFr 12bn "affiliated" companies. This includes notably Thomson Telecommunications, with a turnover of FFr 10.8bn, which groups civil telecommunications interests of Thomson transferred under the wing of CGE under the two companies' asset swap agreement of September 1983.

On a comparable basis, turnover rose 7.6 per cent – amounting to an only slight increase in volume terms, the company said.

CGE currently owns 12 per cent of Thomson Telecommunications but is to take over full ownership through its CIT Alcatel subsidiary next month. Accounting responsibility for the Thomson-Telecommunications results – the company lost FFr 447m last year – will be taken over by CGE only in its 1985 results.

Total group orders last year rose to FFr 74.7bn from FFr 62.2bn. Industrial investment rose to FFr 2.96bn from FFr 2.44bn, while research and development spending went up to FFr 4.30bn from FFr 2.76bn. 1983 net earnings were restated to FFr 636m from FFr 662m to take account of new rules on consolidated accounts.

Bankers Trust wins right to trade paper

By Our Financial Staff

ATTEMPTS by U.S. banks to become a force in the $200bn U.S. commercial paper market received a boost when the Federal Reserve Board said the commercial paper operations of Bankers Trust, the big New York bank, were authorised under the Glass-Steagall Act, which regulates banks' activities.

The ruling appears to bring to an end a seven-year wrangle which started when the bank began dealing in commercial paper on behalf of its corporate customers in direct competition with Wall Street securities firms. Commercial paper is a short-term unsecured promissory note issued by companies and sold to investors.

In June 1984 the U.S. Supreme Court ruled that Bankers Trust's commercial paper was a security under law, but it left to the Fed to decide whether the commercial paper activity represented the selling or underwriting of securities. The Act forbids banks from underwriting or dealing in securities.

This week the Fed said the bank's method of placing commercial paper did not constitute selling, underwriting or distributing securities under the law.

Losinger result still depressed

BY JOHN WICKS IN ZURICH

LOSINGER, Switzerland's leading construction company, again suffered from difficult conditions on the domestic and international building markets last year.

Net profits of the Berne-based parent company, one half of whose capital is held by Enserch Corporation in Dallas, were of a minimal SwFr 81,356 ($31,780) after 1983 earnings of SwFr 90,761. This tiny profit compares, however, to a massive loss of SwFr 57.6m in 1982, when irregularities in U.S. operations forced a write-off of SwFr 62.2m.

The 1984 profits are to be carried over into this year's accounts, reducing the brought-over loss total to some SwFr 9.6m.

Losinger, which reports tougher competitions both in Switzerland and elsewhere, shows a fall in turnover for last year from SwFr 678m to SwFr 640m, of which SwFr 354.6m against 1983's SwFr 374.1m was accounted for foreign business. Thanks to improved domestic demand, total new-order value rose slightly over the year to SwFr 585m.

For the current year, Losinger expects no real change in market conditions. However, it does reckon on continued good earnings from the sale of its special building processes.

At the June 20 general meeting, shareholders will be asked to approve the issue of participation certificates (non-voting shares) of SwFr 100 nominal value up to the SwFr 40m level of existing share capital.

Transco to buy Exchange Oil

By Our Financial Staff

TRANSCO ENERGY, the U.S. gas pipeline and energy exploration group, is increasing its proven reserves sharply with an agreement in principle to acquire Exchange Oil & Gas from Georgia-Pacific, the forest products group, for about $180m.

Transco, based in Houston, said the deal represented an opportunity to acquire significant proven onshore reserves of more than 100bn cu ft of gas equivalent, as well as other assets including working capital and undeveloped oil and gas properties.

Fermenta profits leap to SKr 92m in four months

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

FERMENTA, the Swedish fine chemicals and biotechnology group, increased its profits to SKr 92m ($10.4m) in the first four months of the year compared with SKr 18m in the corresponding period last year and SKr 82m in the whole of 1984.

The group yesterday forecast profits for the whole of 1985 of SKr 270m–SKr 280m (before extraordinary income). Group turnover quadrupled to SKr 448m in the first four months from SKr 108m a year earlier.

New acquisitions completed since April last year accounted for some SKr 297m of the increased turnover and SKr 57m of the profits increase.

The group also announced yesterday that it had completed the sale of an important part of the recently acquired Italian chemicals and pharmaceuticals group Pierrel in two deals worth around SKr 258m.

Pierrel's consumer products division has been sold to Vick International of the U.S., while the company's dental division has been sold to Astra, the Swedish pharmaceuticals group. The two operations accounted for 30 per cent of Pierrel's sales.

In Sweden Fermenta is still negotiating the takeover of KabiVitrum, the state-owned pharmaceuticals company, and a statement on this deal is expected on Friday at the group's annual meeting.

Fermenta is also planning to place up to 900,000 shares in the London market. Details of the issue, which is being made to help finance the Pierrel takeover, are expected to be announced later this week.

Robot licence deal for Sulzer

By John Wicks in Zurich

SULZER Brothers, the Swiss engineering group, is to enter into a licence agreement with American Robot of Pittsburgh.

The move coincides with the creation of a new robot systems division by the Winterthur-based machine-building concern. Sulzer plans inter-disciplinary activities with a view to offering customers a complete range of services, from consulting to the delivery of turnkey automation systems.

EUROBONDS

Iceland wins support with high margin

BY MAGGIE URRY IN LONDON

INVESTORS in floating-rate notes are demonstrating a clear preference for higher interest margins. Despite a generally dull market for floaters, Iceland met a good response yesterday for a $125m issue which pays interest at ⅛ per cent over six-month London interbank offered rate (Libor).

The issue, which has a 15-year life with put options in years 10 and 12, was increased from $100m and still traded comfortably inside the 25 basis point front-end fees. Japanese investors in particular are showing resistance to the decline in margins which has been occurring in the floater market.

The issue for Crédit Lyonnais launched on Monday was also increased yesterday from $250m to $300m and was trading well inside its fees too.

The fixed-rate Eurodollar bond market was lacking new issues once more as the surge in the New York market continued making it more attractive for borrowers to launch issues there. Although Eurodollar bonds gained ¼ to ½ point yesterday, yields have not fallen as much as in the U.S.

BHF Bank bond average		
June 5		Previous
102.792		102.797
High	1985	Low
102.880		99.840

Electricité de France was rumoured to be asking banks for bids on an Euro-issue yesterday afternoon, though the problems of pricing a deal in the current volatile market were causing syndicate managers much thought.

Yamaichi International launched a $50m issue with equity warrants for Nippon Mining. The indicated coupon is 7¼ per cent for the five-year deal.

Once again the Eurobond markets' attention was directed to the far side of the world, with issues launched in both Australian and New Zealand dollars.

Orion Royal Bank led an A$40m issue for Australian Industry Development Corporation which has a three-year life. Terms were set at a 12⅞ per cent coupon and 100⅛ issue price. Fees total 1½ per cent, but with the market still strong the bonds traded at around a ⅜ point discount to the issue price. Virtually all Euro-Australian dollar issue proceeds are either swapped or on-lent, as yields in Europe are lower than in the domestic market.

Danish Export Finance was the borrower in New Zealand dollars, raising NZ$40m through a five-year issue led by Salomon Brothers. The coupon is 16¼ per cent and issue price par. It is believed to be a swap into floating rate U.S. dollars.

The bonds traded well inside the 2 per cent total fees.

In the Swiss franc foreign bond market Union Bank of Switzerland led a SwFr 200m issue for Manitoba. The issue has a 12-year life, and the yield was indicated at 5½ per cent.

Morgan Guaranty (Switzerland) launched a SwFr 100m public issue for Olivetti International. The terms were set at a 5½ per cent coupon and 100⅛ issue price to give a yield of 5.43 per cent on the 10-year bonds. The name is popular with investors and the issue is guaranteed by Olivetti.

The Swiss franc foreign bond market continues to have a firm undertone, though prices in the secondary market were little better yesterday.

In the D-Mark Eurobond market BHF Bank announced a DM 30m private placement for Raufoss, the Norwegian engineering and defence business. The issue has an average life of 7½ years with final maturity in 1995. The coupon is 7⅝ per cent and issue price 99½.

Prices were steady in the secondary D-Mark Eurobond market although here too the strength of the New York market has encouraged traders.

In the Japanese domestic bond market Thailand has launched a Y10bn Samurai with a 7 per cent coupon and par issue price. The bonds mature in 1992. Nikko Securities arranged the deal.

Nomura Securities priced a Y5bn private placement for Tunisia – that country's first yen issue. The 10-year bonds have an average life of nine years. Coupon is 7.7 per cent and issue price par.

International bonds service, Page 29

INTERNATIONAL COMPANIES and FINANCE

Carla Rapoport looks at a Japanese industry's successful strategy

Paper makers cut way to recovery

THE WAILING entreaties of Tokyo's waste paper collectors are guaranteed to ruin the sleep of those still in bed on a Sunday morning. But the efficiency of the collection system for old newspapers provides one of the reasons for a marked turnround in the fortunes of Japan's paper and pulp industry.

For the year to last March, six out of the nine leading paper and pulp companies registered sharp recoveries at the pre-tax level with most achieving all-time highs in pre-tax profits and sales. For the largely domestic industry, which runs an uncharacteristic trade deficit with the rest of the world, many of the reasons behind this revival are uniquely Japanese.

It is one of Japan's oldest industries, with more than 500 companies supplying the market. Paper and pulp makers were persuaded to accept a programe of rationalisation sponsored by the Ministry for International Trade and Industry (Miti) in late 1983. According to the Japan Paper Association, that programme laid the foundation for the industry's recent recovery.

So far, between 30 and 60 per cent of the targets for capacity shutdowns have already been met. In paper, excluding newsprint, for example, 269,000 tonnes out of a total elimination target of 951,000 tonnes have been shut. In container board, 850,000 tonnes out of a total target of 1.5m tonnes have been shut to date. The end result will cut 20 per cent of the overall containerboard sector.

The targets, according to the JPA, were set by a council which included producers, consumers, academics and Miti officials. The JPA points out that Miti has no sanctions to levy against those companies which do not comply. Even so, the trade association is reasonably confident that all the targets will be met

In addition to the government-inspired rationalisation programme, the paper companies have their persistent waste collectors. These men travel about residential communities in small vans with loudspeakers offering free toilet rolls to households which hand over their old newspapers. In the past 10 years they have helped to boost the waste paper recovery rate from 38.7 per cent of total paperboard and paper production to 50.4 per cent last year.

"It is the custom of Japanese households to preserve our national resources," said Mr Kenji Okawa, manging director for the international division of the JPA. In addition to this increased use of cheap waste paper, energy costs for the paper companies have dropped by 30 per cent over the last five years.

JAPAN'S PAPER MANUFACTURERS
Parent company results (Ybn), year to March 1985

	Sales	% change	Pre-tax profits	% change
Oji Paper	374.2	+5.1	32.3	+41.2
Jujo Paper	338.5	+4.7	16.0	+55.5
Daishowa Paper	331.7	+2.6	10.7	−13.6
Honshu Paper	319.9	+4.9	4.4	+67.0
Sanyo-Kokusaku Pulp	276.4	+4.8	14.1	+63.0
Taio Paper	227.4	+8.8	8.5	−2.5
Rengo	199.9	+9.3	4.2	−16.9
Mitsubishi Paper	169.1	+5.7	14.3	+54.0
Kanzaki	141.3	+4.3	10.6	+9.8

On the demand side, Japan's paper and pulp industry has enjoyed two further bonuses. Unlike America and Europe, demand for its products has remained on a gentle increase for 46 months, about 16 months longer than the usual cycle. The reason for this steady, although modest, strength in demand is that consumers were buying more computer papers and coated papers in the period offsetting the drop in newsprint. At the same time, producers were able to hold price inflation to almost zero for the last two years.

As a result of these and other measures, the paper companies last year managed to outstrip the profitability of Japan's overall manufacturing average for the first time, with a 4.8 per cent operating margin compared to a 4.2 per cent margin for industry in general, according to JPA figures.

Looking ahead, the industry is gearing itself for tougher times. Unlike other industries in Japan, the paper and pulp companies have already had to accommodate a fair amount of imports from the U.S. For example, while domestic demand had been increasing by around 1 or 2 per cent a year over the past five years, imports have been increasing by 17 per cent a year.

The U.S., according to the JPA, has been largely responsible for this increase. In 1973, American paper and pulp made up only 11 per cent om ports—last year, U.S. products amounted for 51.2 per cent of the total. Imports overall have made a reasonable dent in the Japanese market for paper and pulp, amounting to about 10 per cent of the newsprint market, 13.2 per cent of the kraft linerboard sales and 8.5 per cent of unglazed kraft. Exports by the industry are fairly insignificant.

Toshiba group earnings soar 46%

By Yoko Shibata in Tokyo

NET PROFITS of Toshiba and its group companies soared 46 per cent to a record Y86.12bn ($345m) in the year to March, on turnover ahead 23.5 per cent to Y3,342bn.

All but one of Toshiba's subsidiaries and equity-accounted affiliates provided favourable contributions. Its ceramics and tungsten carbide tools offshoots as well as Toshiba America were singled out yesterday by Mr Yuishi Yamada, executive vice-chairman, as having done particularly well.

Strong shipments of thermal and hydraulic power plant, and nuclear power generation systems, lifted sales in the heavy electrical apparatus division 33 per cent to contribute 29 per cent of total turnover.

Significant growth was seen in the electronics field, including semiconductors and office automation equipment, with sales in that sector up 27 per cent to account for 34 per cent of the total.

Consumer product sales, supported by strong demand for seasonal products such as air conditioners, moved ahead by 14 per cent to account for 27 per cent of turnover. Exports to China more than quadrupled from Y13bn to Y55bn, centring on colour television sets. This together with buoyant exports to the U.S. helped boost Toshiba's overseas sales 42 per cent, representing 31 per cent of turnover.

The cost efficiencies derived from increased volume production, minority interest in income of consolidated subsidiaries (up 17 per cent) and equity income of affiliated companies (up 21 per cent provided an earning upsurge.

Overall, earnings per share rose from Y22.46 to Y29.63. At the pre-tax level, profts were Y185.74bn against Y135.11bn.

For the current year, Toshiba is continuing to make substantial investments in plant and equipment with total capital investment amounting to Y270bn, against last year's Y280bn, half of which will be used on the semiconductor side. The company invested Y150bn on semiconductor production last year.

Research and development spending, centring on semiconductors, is due for the current year to reach 5.4 per cent of total turnover, 0.2 point higher at Y200bn.

Toshiba's consolidated turnover is expected to reach Y3,720bn, ahead by 11.6 per cent. Net profits are projected at Y93bn, up a more modest 8 per cent from the previous year.

Tokyo urged to strengthen bank deposit cover

JAPAN'S Financial System Research Council has suggested strengthening the country's bank deposit insurance system to cope with problems which the industry may face during the liberalisation of financial markets there, Reuter reports from Tokyo.

In a set of recommendations presented to Mr Noboru Takeshita, the Finance Minister, the council suggested increasing the insurance limit per depositor at each bank to Y10m ($40,000) from the current Y3m. It also recommended raising the premium per bank to 0.012 per cent of total deposits from the present 0.008 per cent.

Pan-Electric pulls out of hotel deal

PAN-ELECTRIC Industries of Singapore said yesterday it had withdrawn from an agreement to acquire the Adelphi Hotel complex from Adelphi Development, Reuter reports from Singapore.

The company gave no reason for terminating the deal, reached last December, under which it agreed to buy the hotel for S$77m (U.S.$34.8m) through a cash and share exchange. It said both parties had decided not to proceed with the signing of the agreement.

BHP, Shell claim 79% of Woodside

BROKEN HILL Proprietary and Shell Australia said yesterday they had secured a provisional 79.02 per cent of Woodside Petroleum at the close of their joint takeover offer on Tuesday, Reuter reports from Melbourne.

They said 48.66m shares arrived in last-minute acceptances of the A$1.60 per share offer, bringing their holding to a provisional 395.1m shares.

But they would not proceed to compulsorily acquire the outstanding shares, they added.

Japan's trust banks well ahead

BY OUR TOKYO STAFF

IN CONTRAST to the slowdown seen at Japan's city and regional banks, the country's seven trust banks posted record earnings in the year to March, with combined pre-tax profits ahead by 49.1 per cent. Wider interest rate spreads, strong performances by their international divisions and better commission income from asset trusts underpinned the surge in earnings.

Sumitomo Trust and Banking remained the biggest earner at both the pre-tax and net levels. Chuo Trust and Banking showed the largest pre-tax surge, of 71.4 per cent, although Mitsubishi Trust and Banking—number one in asset terms—had the best net rise at 27.7 per cent.

Combined revenues of the seven emerged at Y3,413.5bn ($13.7bn), up 35.4 per cent.

Loan trust income rose 23 per cent, while pre-tax profits from international operations soared 41.6 per cent to Y99bn. The overseas advance reflected the expansion of business outside Japan, as well as the effects of the yen's depreciation on dollar-denominated transactions. For example, Mitsubishi Trust Banks's net assets increased by Y2,400bn, of which foreign currency assets accounted for Y1,700bn.

For the current year all seven expect to maintain the upward trend. Additional overseas outlets are being planned.

Japan's corporate pension fund assets, estimated at Y14,000bn are expected to quadruple in the next ten years, reflecting an ageing population profile.

JAPANESE TRUST BANKS
Parent company results (Ybn), year to March 1985

	Gross revenue	Pre-tax profits	Net profits
Mitsubishi	783.07 (+30.5%)	47.20 (+54.5%)	18.78 (+27.7%)
Sumitomo	570.56 (+37.3%)	50.71 (+39.4%)	18.96 (+25.5%)
Mitsui	676.75 (+28.7%)	35.23 (+44.8%)	14.89 (+23.5%)
Yasuda	610.48 (+51.7%)	28.40 (+68.3%)	10.35 (+21.1%)
Toyo	353.80 (+31.2%)	24.86 (+42.8%)	9.86 (+23.0%)
Chuo	216.11 (+43.1%)	10.82 (+71.4%)	2.92 (+19.2%)
Nippon	102.72 (+23.4%)	3.64 (+27.9%)	1.53 (+4.7%)
Total	3,413.48 (+35.4%)	200.85 (+49.1%)	77.27 (+23.8%)

INTL. COMPANIES & FINANCE

PKBanken warns of fall in year's operating profit

BY DAVID BROWN IN STOCKHOLM

PKBanken, the state owned commercial bank which ranks among Sweden's three largest lending institutions, achieved a 5 per cent rise in operating results for the first four months ending April, to SKr 436m ($49m).

The bank warns, though, that the recent tightening of monetary and credit policy by the Swedish central bank, unless eased, could result in sharply lower earnings for the full year. The estimated SKr 300m cost of the Riksbank move will only be partially compensated by higher interest rates.

Return on equity continued to decline, from 14.8 per cent to 12.6 per cent, but this was due largely to the SKr 500m raised in a public share issue last year. However, the profitability gap between PKBanken and Sweden's two other major commercial banks remains "significant."

PKBanken holds a higher proportion of public-sector bond commitments in its portfolio. The recent increase in the official discount rate by two points and the penalty rate by 2.5 points cannot be entirely offset by higher volumes or increased interest rates, the bank warns.

Officials privately express the hope that the bank will at least be able to near the SKr 1.09bn operating result achieved in 1984. Total assets increased by SKr 4.5bn, or 4 per cent, and lending by SKr 4.2bn, or 10 per cent. Deposits fell by 2 per cent, or SKr 2.2bn.

Operating profits at the parent bank rose by 3 per cent to SKr 371m. Operating profit at PKBanken International (Luxembourg) climbed 60 per cent, or SKr 28m. Commission and other operating income continues to grow strongly.

Olympia outlines funding plan for Gulf Canada acquisition

BY BERNARD SIMON IN TORONTO

OLYMPIA and York, the Canadian property developer, has proposed selling its 93 per cent interest in Abitibi-Price, the forest products group, to Gulf Canada as part of the plan to acquire control of Gulf from Chevron of San Francisco.

Olympia said in a filing with the U.S. Securities and Exchange Commission that it is considering a reorganisation of Gulf Canada that may include a merger between Gulf and Abitibi, and the disposal of some, or all, of Gulf's downstream activities in fuel refining, transport and marketing to third parties.

In one of the largest corporate takeovers in Canada, Olympia announced two weeks ago that it planned to buy 49 per cent of Gulf Canada from Chevron, with an option on Chevron's remaining 11 per cent holding. Gulf, which is Canada's fourth largest integrated oil company with assets of around C$7.5bn (U.S.$5.47bn), is to pay about C$3bn.

Olympia said that between 40 and 50 per cent of the finance for the purchase will come from working capital and "internal resources." The remainder will be raised in bank loans. Olympia is a private company controlled by the Reichmann family, and little is known of its financial position.

The proposal to transfer control of Abitibi to Gulf appears to be based on a strategy of using Gulf's considerable financial strength to help Olympia fund the acquisition of the oil company. Gulf has a strong balance sheet, including a cash surplus of some C$700m.

Furthermore, the disposal of downstream operations would have the advantage of helping Gulf to finance the Abitibi deal without seriously denting its own profits.

Posner forced to take cut in salary

By William Hall in New York

MR VICTOR POSNER, the Miami financier, has been forced to take a substantial salary cut and make substantial concessions to win the support of angry debenture holders who were threatening to push Sharon Steel, one of the key companies in his financially troubled empire, into bankruptcy.

Seidman Capital Corporation, which controls about one third of Sharon's debentures, has agreed to swap its 13½ per cent and 14¼ per cent Sharon debentures for a package of low-interest and zero-coupon notes and common shares.

The special steels company, which has been losing money since 1981, has agreed to give debenture holders more equity in Sharon and increase their holdings' value by 10 per cent. Sharon will put two debenture holders on its board and has agreed not to buy any more securities and to cut "dramatically" the salaries paid to its chairman, Mr Victor Posner, and his son Steven, who is vice-chairman.

Sharon needs to win the support of its debenture holders if it is to reduce its interest charges and stave off bankruptcy. However, Seidman Capital had laid down a number of stringent conditions which it wanted met before it agreed to back the deal. These included cutting Mr Posner's salary from $3.5m in 1984 to less than $1m.

President quits at Mostek

By Our Financial Staff

MR HAROLD ERGOTT, president and chief executive of United Technologies' Mostek semiconductors unit, has resigned and been reassigned to UT's corporate headquarters.

Mr Ergott had held the posts since 1982. He will be temporarily replaced by Mr Richard Gamble, a senior vice-president of UT's controls group.

In common with other semiconductor manufacturers, Mostek has been hit by the current industry downturn. Last month it announced job cuts of 1,600 in Dallas and 140 in Ireland. In April it reduced its Malaysia workforce by 1,000.

North American quarterly results

ALBERTSON'S
Retailing

First quarter	1985 $	1984 $
Revenue	1.2bn	1.13bn
Net profits	18.8m	18.2m
Net per share	0.57	0.55

CADILLAC FAIRVIEW
Property

Year	1984-85 C$	1983-84 C$
Revenue	467.3m	309.9m
Op. net profits	65.3m	27.8m
Op. net per share	0.73	0.21

CARLING O'KEEFE
Brewing

Year	1984-85 C$	1983-84 C$
Revenue	914.6m	948.5m
Net profits	15.8m	54.3m
Net per share	0.63	2.40

CAVENHAM (USA)*
Retailing

Fourth quarter	1984-85 $	1983-84 $
Revenue	587.4m	636.8m
Net loss	496,000	8.8m
Year		
Revenue	2.53bn	3.44bn
Net loss	1.9m	120.4m

LOWE'S
Building materials retailer

First quarter	1984-85 $	1983-84 $
Revenue	452.3m	380.3m
Net profits	11.9m	12.7m
Net per share	0.33	0.35

MOLSON COMPANIES
Brewing

Year	1984-85 C$	1983-84 C$
Revenue	1.67bn	1.8bn
Op. net profits	45.2m	68.9m
Op. net per share	1.85	2.41

PROVIGO
Retailing

First quarter	1985 C$	1984 C$
Revenue	1.03bn	951.7m
Net profits	10.3m	10m
Net per share	0.52	0.50

UNITED BRANDS
Food processing

Fourth quarter	1984-85 $	1983-84 $
Revenue	797.1m	825.1m
Net profits	11.7m	797,000
Net per share	0.73	0.02
Year		
Revenue	3.22bn	3.36bn
Net profits	23.1m	46.2m
Net per share	1.51	3.14

U.S. SHOE
Shoes, retailing

First quarter	1985 $	1984 $
Revenue	425m	373.3m
Net profits	13.3m	9.4m
Net per share	0.60	0.43

WESTVACO
Forest products

Second quarter	1984-85 $	1983-84 $
Revenue	436.2m	446.9m
Net profits	23m	26.2m
Net per share	0.86	1.00
Six months		
Revenue	865.7m	881.3m
Net profits	45.7m	47.9m
Net per share	1.60	1.70

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for June 5.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex Credit 10⅞ 90	100	102½	103	+0½	+1¾	10.13
Amex Credit 12⅜ 88	150	107⅜	107⅞	+0⅝	+1¼	9.88
Bank of Tokyo 13⅜ 91	100	112⅞	113⅜	+0⅝	+2¼	10.57
BP Capital 11⅛ 92	150	103⅛	103⅝	+0½	+1⅝	10.37
Caisse Nat Tele 13¾ 91	100	114⅞	115⅜	+0½	+2⅞	10.26
Canada 11½ 90	500	106½	107	+0¼	+1⅜	9.65
Canadian Pac 12½ 89	75	108	108½	−1⅛	+1⅝	11.29
CBS Inc 11⅜ 92	100	104½	105	+0⅝	+0⅞	10.41
Chevron U.S.A. 12¼ 89	600	105½	106	+0⅛	+1¼	10.40
Coca Cola 11¾ 91	100	108	108½	+0⅜	+1⅞	9.91
Denmark Kingdom 11½ 90	100	103⅝	104⅛	+0¼	+1⅜	10.45
Denmark Kingdom 11½ 92	100	103½	104	+0⅜	+2⅞	10.58
Denmark Kingdom 13¼ 91	100	110½	111	+0¼	+1⅝	10.78
Denmark 13⅞ 88 XW	100	†109¾	110¼	0	+0⅞	10.02
Denmark Kingdom 14 91	100	119	120½	+0¼	+0⅝	11.55
E.E.C. 11⅛ 90	100	103⅞	104⅜	0	+1⅞	9.94
E.I.B. 13 96	200	111⅜	111⅞	+0¾	+2⅝	11.12
Export Dev Corp 12 89	100	106⅞	107⅜	+0¼	+1⅞	9.89
Exxon Capital Corp 0 2004	1800	13⅝	14⅛	+0⅛	+0⅞	10.80
Ford Motor Cred 11⅝ 95	100	102½	103	+0⅞	+2¾	11.13
Gen Elec Credit 10¼ 00	200	100⅞	101⅜	+0½	+0⅛	10.10
IBM Credit 10¾ 2000	300	101½	102	−0⅝	+0⅞	10.13
IBM Credit Corp 11¾ 87	200	105½	106	+0¼	+0⅞	8.85
Indust Bk Japan 12⅞ 89	100	109⅛	109⅝	+0⅜	+0⅜	10.06
Int-Am Dev Bk 12¾ 91	150	109⅞	110⅜	+0¾	+2½	10.47
Japan Air Lines 13⅜ 94	180	118¼	118¾	+0⅝	+2⅝	10.16
Kellogg Company 10⅞ 90	100	103¼	103¾	+0⅜	+1¼	9.86
Kellogg Company 11¼ 92	100	104¼	104¾	+0⅝	+0⅞	10.25
L.T.C.B. 12⅞ 91	100	110⅛	110⅝	+0⅜	+2⅛	10.53
Macy Cred Corp 11¾ 95	100	105¼	105¾	+0⅝	+2½	10.82
Mellon Bank 13 87	100	105⅞	106⅜	+0⅝	+0⅞	9.77
Merrill Lynch 12¾ 89	100	106½	107	+0¼	+1	10.86
Minnesota 11½ 87	100	104	104½	−0¾	+0⅞	9.35
Mitsubishi Corp 13¼ 89	100	112¼	112¾	+0⅝	+1¾	9.45
[illegible]						

DEUTSCHE MARK STRAIGHTS: [illegible]

SWISS FRANC STRAIGHTS: [illegible]

YEN STRAIGHTS: [illegible]

OTHER STRAIGHTS: [illegible]

FLOATING RATE NOTES: [illegible]

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]						
Taiyo Yuden 3¼ 2000	3/85	1078	89¼	90¼	−0⅛	1.67
Takeda Riken 3⅝ 2000	10/84	7663	†83	84	−1	18.56
Tokyo Sanyo Elec 3½ 99	12/84	772	87⅞	88⅞	+2¼	4.54
Toshiba Ceramics 3 2000	4/85	1734.2	86	87	+1½	2.85
Nippon Oil Co 2⅛ 92 SF	3/84	1052	†103	105	+6½	16.28
Nippon Shinpan Co 2 92 SF	3/84	801	†99½	100	+2¾	18.67
Sadsu Paper 2¼ 92 SF	4/84	677	†*150	152	0	11.28
Asics 5 92 DM	12/83	520	107	108½	+6⅜	24.35
Sam Realty 5¼ 92 DM	2/83	336	†257	258	+5	−1.47

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three month; § above mean rate) for U.S. dollars. C.cpn. = current coupon. Cu. yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Reed on target at £108m thanks to U.S. strength

OPERATIONS in the U.S. were doubly important to Reed International's performance in the 1984/85 year. Not only did improved overseas results, especially in U.S. publishing, offset a domestic profit downturn, but the group also made a gain of £7m on the strength of the dollar.

The exchange rate bonus was part of an overall £18m improvement in profits outside the UK, which helped Reed to meet market expectations with pre-tax profits ahead by nearly 12 per cent at £107.5m. The comparable figure was £96.4m.

Sir Alex Jarrat, the chairman, who is to step down in favour of Mr Leslie Carpenter next August, said that UK markets were generally highly competitive, and pointed to difficult domestic trading conditions in the consumer publishing, building products, packaging and paper divisions.

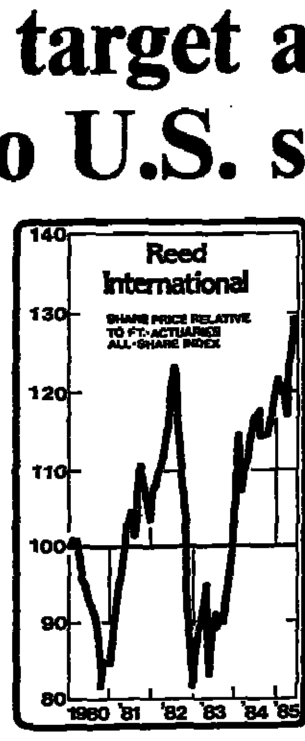
In contrast, overseas operations supplied 47 per cent of total profits — a rise of more than 10 per cent — on sales ahead by 31 per cent at £748.1m. Non-UK operating profits came to £60.3m. The chairman singles out the expanding Cahners U.S. publishing business as particularly successful.

Group turnover totalled £2.12bn, up from £2.04bn, but the contribution from the UK and from exports fell from £1.47bn to £1.37bn.

In the course of the year Reed sold its investments in Mirror Group Newspapers, London and Provincial Posters and Spicer McGowan with a net surplus on divestment of £53m, and most of the remaining printing businesses were sold or closed at a net loss of £6m. These items show as an extraordinary gain of £15m in the accounts, after a net provision of £32m for possible further rationalisation in the UK paper and board activities.

The dividend for the year is raised by 12 per cent with a final 12.75p (11.5p) on top of the interim 5.75p (5p). Earnings per share are shown at 53.6p, down from 57.7p. The higher dividend will cost £22m against £19.5m.

Interest charges were up from £19m to £21m. A rise in the effective rate of overseas tax—mainly due to the exhaustion of



most brought forward losses in the U.S.—was the chief reason for a substantial rise in the 1984-85 tax bill, up from £27.7m to £43.3m. Attributable profits came out at £78.7m against £88.2m.

In his review of operating groups, the chairman said that Reed Publishing continued to make vigorous progress and increased trading profit by 42 per cent to £57m. The group generated 45 per cent of trading profit from 21 per cent of balance sheet capital employed. With significant new investment, the rapidly expanding Cahners business in the U.S. was particularly successful. UK regional newspapers continued to develop and substantial investment was made in electronic data based publishing.

In Consumer Publishing, the fall in profit from £16m to £11.4m was largely attributable to lost issues as a result of a journalists' strike and sharply increased paper costs. The European Courtesy Magazines Group was acquired.

The Building Products division suffered from the imposition of VAT on home improvements. This impaired the already depressed UK market for building materials and turnover was maintained but at much reduced margins. Key Terrain suffered particularly from severe price cutting by competitors. Profits from the UK businesses in the second half of the year were significantly reduced. In Holland, Sphinx benefited from previous investment and rationalisation and produced much improved results.

Paint and DIY profits were higher in all main areas both in the UK and overseas. Frazee Industries (paints) and W. F. Taylor (adhesives) were acquired in the U.S. for £24m and contributed £3m to trading profit.

UK demand in the Packaging division was generally static and Medway Sacks, a major supplier to the coal industry, was badly hit by the miners' strike. Reed Corrugated Cases experienced sharp rises in raw material costs related to the strength of the dollar. Despite this, improved efficiency following rationalisation resulted in increased profits in the UK. Higher demand and greater efficiency increased profits in Holland. The group continues to develop plastic packaging in addition to traditional paper products.

Spicers office products, part of Reed Trading, continued to grow with improved profits. Maybank benefited from a very strong market for waste paper. Reed Carbonless Papers, with a good production performance, returned to profit. Spicer Cowan significantly improved its profit prior to its sale last February.

In the first three quarters, UK mills lost £3m but returned to profit in the last quarter. Contributory factors to the turn round were—a fall in excessively high pulp prices; reduced energy costs resulting fro minvestment in converting boilers from oil-burning to gas; and the planned closure of six paper and board machines. The mill in Holland with record sales achieved satisfactory profit.

In North American Paper, the Quebec mill maintained full capacity working and continued the investment programme of machine upgrading. Profit improved as a result of higher U.S. newsprint prices but margins in offshore markets were poor. Chemical operations maintained profits but flexible packaging suffered a setback.

Bunzl backs bid with £40m profit forecast

By Alexander Nicoll

Bunzl, the paper group, yesterday forecast a 44 per cent rise in 1985 profits to over £40m and a 33 per cent dividend increase as it put the case for its £119m bid for Brammer, the bearings distribution group.

Its formal offer document had a dual purpose: to persuade Brammer shareholders to accept its offer and to dissuade them from approving Brammer's planned £44m acquisition of Energy Services & Electronics, an electronic equipment rental group. If Brammer shareholders approve the ESE bid at a meeting on June 14, Bunzl's bid will lapse.

In support of its own bid, Bunzl estimated that pre-tax profits will rise from £27.6m in 1984 to over £40m this year, and that total dividend will be increased from 7.5p to 10p.

Acceptance of Bunzl's share bid would give Brammer shareholders a 30 per cent increase in capital value and a 50 per cent income boost, Bunzl said.

Bunzl argued that it and Brammer had a strong fit, both distributing products to demanding customers, and that its record in development of distribution businesses would enhance Brammer's performance.

Mr James White, Bunzl managing director, said the compatibility of the two companies and their relative philosophies were discussed at a meeting with Mr John Head, Brammer chairman, and Mr Robbie Ffoulkes-Jones, joint managing director, on April 25—before the two bids were launched and after Bunzl had sold a 4.6 per cent stake in Brammer.

"I got the message that they wanted to continue the dialogue," Mr White said. "While they claim that it was a social event, there's no way that construction could be put upon it."

Mr Ffoulkes-Jones retorted yesterday that "they called it a meeting, we call it a dinner. We did discuss how we do business, and we talked about how we didn't fit, how we didn't need them."

Among Bunzl's other arguments in support of its bid were that: Brammer has unsuccessfully diversified away from bearings distribution, failing to become a significant presence in new fields; Bunzl could help it to develop in the U.S. and in the UK electronic components field; and Bunzl's earnings and dividend growth have outperformed Brammer's over the past five years.

Mr Ffoulkes-Jones responded that Brammer has halved its dependence on bearings over the past five years, and that its moves into other areas have produced increases in earnings. "We are in the quality end of the service business. Mr White believes that the thing to do is to go for volume. We disagree."

Arguing against Brammer's bid for ESE, Bunzl said the acquisition would dilute Brammer's earnings per share by 15 per cent and reduce net tangible assets per share by nearly 30 per cent. ESE would stretch Brammer's management resources and its main business, equipment rental, had nothing to do with distribution, Bunzl said.

Mr Ffoulkes-Jones said the earnings per share calculation included the loss-making Neve Audio, for which ESE has had a number of approaches.

Brammer put its case for the ESE acquisition at its annual general meeting. Mr Ffoulkes-Jones said later that "If we can convert 10 per cent of our customers to ESE's rental business, we can double ESE's customer base."

Bunzl's share price yesterday rose 5p to 475p, valuing its share offer for Brammer at 400p. The cash alternative is 370p. Brammer shares fell 5p to 362p.

Eric Short on Abbey Life's stock market debut

Born out of a novel concept

Abbey Life Group, Britain's second largest linked-life concern, is the first life company in nine years to come to the market.

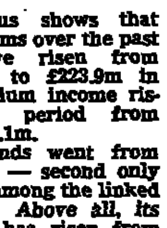
However, it has been very much in the limelight ever since it was founded in 1961 by Mr Mark Weinberg, now chairman and chief executive of Hambro Life Assurance, Britain's largest linked life group and now a member of BAT Industries.

Mr Weinberg staked everything in the future of Abbey Life by marketing the then novel concept of linked-life assurance, with emphasis on single premium bonds linked to equity-based funds.

In 1961 this type of life assurance was just off the drawing board and predicted by the establishment never to get acceptance in the face of traditional life products.

It was also held by the establishment in the 1960s that it would take at least 20 years for a life company to stand on its own feet financially, such was the financial strain of putting new business on the books.

These pundits were proved



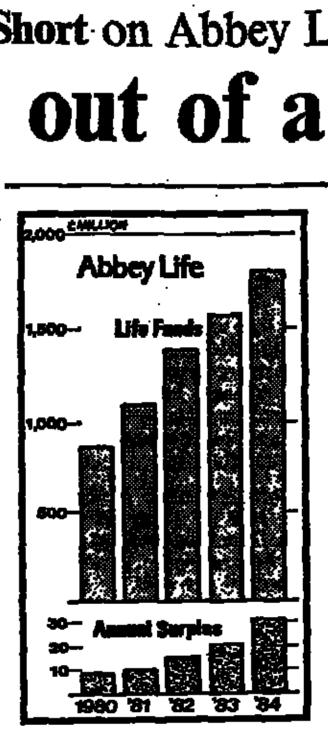
wrong by Mr Weinberg who saw that linked life assurance, with its emphasis on savings rather than protection, was what the public wanted and that by concentrating on single premium bonds the underlying funds could be expanded rapidly without much financial strain.

Growth in the first few years of Abbey Life was spectacular as the investment public and insurance salesmen took to the unit-linked concept.

However, there were problems during the late 1960s and early 1970s arising from the acquisition by ITT of a stake in Abbey Life which resulted in Mr Weinberg leaving to form Hambro Life — taking many vital personnel from Abbey Life with him.

It took Abbey Life several years to recover from this blow. In particular, its administration services — vital for the successful operation of unit linked business — were badly affected. For some years Abbey Life languished in the shadow of Hambro Life.

But now under the guidance of its chairman and chief executive Mr Michael Hepher, Abbey Life has shown that it has fully



Mr Michael Hepher, chairman and chief executive of Abbey Life Group

recovered from the post-Weinberg effects and has shown very impressive growth in its operations.

The prospectus shows that total new premiums over the past five years have risen from £94.5m in 1980 to £223.9m in 1984, with premium income rising over that period from £167.2m to £376.1m.

Total life funds went from £863m to £1.8bn — second only to Hambro Life among the linked life companies. Above all, its annual surplus has risen from £8.4m to £30.7m in 1984, with a forecast of £33m in 1985.

At yesterday's launch of the offer Mr Hepher pointed out that the group had three major features in its favour at the present time.

The first is the potential of life assurance marketing in the UK over the next few years, especially in the field of pensions. Abbey Life has, for the past 10 years, directed its main marketing thrust through its direct sales force, who though technically self-employed, are tied to Abbey Life. This sales force now numbers 2,500 and is expanding rapidly.

Second, the group has a wide range of life and pension products tailored to meet the current needs of the public. This is reflected in 1984's new business figures which Mr Hepher claims puts Abbey Life in the top five life companies in the UK, and were only exceeded by the new business figures of the two well established companies, Prudential Assurance and Legal and General.

Third, Mr Hepher claims that Abbey Life has now overcome its administration problems and offers a service that can match those of other major life companies. On straightforward life contracts the company can issue an acceptance within 24 hours.

Finally, Mr Hepher referred to the financial strength of Abbey Life. To date ITT has not taken a penny out of the group so Abbey has enough capital to finance its planned new business expansion without depressing profits—usually a regular premium life contract does not start to wash its face until the end of the second year, so new business expansion requires capital to finance it.

Hambro Life was the previous life company to come to market and it enjoyed a successful share price history up until the time it became part of BAT Industries.

Investors would have done far better holding Hambro Life shares than they would have done investing in any of Hambro Life's bonds.

Now that Abbey Life has become a publicly quoted company, the spotlight is likely to

turn more on to it and less on to Hambro Life.

There is another interesting parallel with Hambro Life relating to the shareholding. When Hambro Life came on the market, only a minority of the equity was floated. Its parent, merchant banker Hambros, held the majority.

Over the years Hambros sold tranches of its equity holding in Hambro Life, finally selling its remaining 24 per cent to Charterhouse J. Rothschild and leaving Hambro Life a prey to a predator. Hambro Life was forced into the BAT fold to avoid the wolves outside.

ITT has guaranteed not to sell any more shares of Abbey Life for the next 12 months. However, if it still has cash problems after that period the temptation to sell some more will be strong. Mr Hepher refused to speculate on such a scenario, but it must always be in the background.

Other life companies, such as Crown Life and Target Life, have announced their intention of going public in a couple of year's time.

But as yet, they are nowhere near the size of Abbey Life.

OFFER TERMS VALUE ABBEY AT £504m

MERCHANT BANKER S. G. Warburg is bringing Abbey Life Group, to the market, via an offer for sale of 135m ordinary shares of 5p each at a price of 180p per share.

This represents 48.2 per cent of the total issued capital of Abbey Life and values the group at £504m. The remaining 51.8 per cent is being retained by the U.S. conglomerate ITT Corporation, the present owner of the Abbey Life.

The prospectus, issued yesterday, forecasts an actuarial surplus for 1985 of approximately £33m and a dividend payment of 6.6p net for the year.

This gives a prospective p/e on the offer price of 15.3 and a prospective dividend yield of 5.24 per cent.

The offer for sale provides ITT Corporation with an opportunity to realise part of its investment in Abbey Life Group as announced earlier thisi year as part of a US$1.7bn fund raising exercise. ITT said that it did not intend to sell any more of its shareholding in Abbey Life for at least 12 months.

Application lists will open next Wednesday. Acceptance letters will be posted on Tuesday June 18 and dealings in the ordinary shares will begin the following day. Preferential consideration is being given to employees and sales associates of Abbey Life and its subsidiaries.

Geers Gross warns of profit drop

By Martin Dickson

Geers Gross, the UK advertising agent and consultant, said yesterday its 1985 profits were likely to be substantially below last year's, but also announced an agreement allowing Eurocom, a French advertising holding company, to increase its stake in the group.

Geer's shares rose on the news to close last night at 87p, up 10p on the day.

Eurocom bought a 10 per cent stake in Geers last February at 170p a share under an agreement which allowed it to increase this to a maximum of 20 per cent at the end of 1986. At Eurocom's request, Geers has now allowed the immediate purchase of more shares, though the 20 per cent maximum remains.

Mr Charles Hoare, Geers' chairman, said last night that the group's U.S. subsidiary had lost a highly profitable account with a sports cable network, ESPN, which had been acquired by a company with an in-house agency.

The U.S. subsidiary had net income of £1m last year, but "looking at this in the worst light" it might only break even this year.

Exeter Building

Exeter Building & Construction Group, the USM quoted company for which Mr Michael Kent has made a 29.9 per cent tender offer, yesterday urged shareholders to take no action while its directors considered the offer with their financial advisers.

Exeter's shares were unchanged at 130p yesterday, 10p short of maxium value of the offer and valuing the company at £4.9m.

UK COMPANY NEWS

Debenhams has abdicated its retailing roll—Burton

BY MARTIN DICKSON

Burton yesterday fired a major broadside in its £475m takeover bid for Debenhams. It coupled a forecast of a 33 per cent increase in its final dividend with an attack on the stores' group's retailing record and said it had a formula to "revitalise large surface area shopping in the High Street."

The commitments were made in the formal offer document to Debenhams shareholders, which also said Burton expected to report satisfactory results for the year to August. It forecast a final dividend of 6p a share (4.5p), making a total of 8.5p for the year, up 30 per cent on 1983-84.

Last night Debenhams chairman, Mr Robert Thornton, said the document did not take anything any further and dismissed the offer as derisory.

Burton, whose bid is being made in association with Habitat-Mothercare, contrasted what it called its own outstanding financial performance over the past five years with Debenhams' uninspiring record.

It claimed Debenhams record was poor because its management had "progressively abdicated their role as retailers, becoming instead landlords and credit card operations dependent on the retailing skills of others."

A growing proportion of Debenhams trading space was rented out. The result was a "haphazard proliferation of franchises and concessions."

Burton said it intended to create a new retail concept in Debenhams stores, the "Galleria," a compatible selection of clearly defined ranges of goods and services under one roof. It would bring together some of the existing trading divisions of Burton and Habitat-Mothercare and, equally important, the completely new formats for the over-30s clothing market which Burton was developing.

It noted that while two thirds of Burton's customers were under 30, most of Debenhams were over 30 and the stores were "widely recognised as prime candidates for a change to a new and more exciting retailing style, primarily serving this age group."

On Debenhams existing trading arrangements with Harris Queensway, the furniture group, the document merely said that Burton had "considerable admiration for Harris Queensway's retailing abilities and looked forward to developing the trading arrangements in a mutually beneficial way."

The cover of the document, an artistic display unusual in bid literature, features a sketch of the exterior of a "Debenhams Galleria."

Burton is offering three of its shares and £2.50 in cash for every five of Debenhams. On the basis of last night's Burton closing price of 483p, up 3p on the day, the offer is worth 339p a Debenham's share. There is a 311p cash alternative.

Mr Ralph Halpern, chairman of Burton

Debenhams' share price closed last night at 403p, up 3p on the day, a fact emphasised by Mr Thornton when he attacked the bid for offering shareholders "a reduction in both capital and income."

He noted the absence of a profits forecast in the Burton document and suggested that the group's Principles chain, launched last year for the over-30s market, had "fallen flat on its face."

Debenham's annual report, published yesterday, shows that Mr Thornton's remuneration rose last year from £96,898 to £160,092—an increase of 65 per cent. The rise includes a performance-related bonus. Mr Thornton said last night this brought his pay to about one-third of that of Mr Ralph Halpern, Burton's chairman.

In a note, issued with the annual report, Mr Thornton said he was confident of Debenhams at least maintaining its dividend despite a proposed one-for-five bonus issue of shares, which would represent a real increase of 20 per cent.

Burton's document also details its offers to preference share holders. These are 100p in cash for £1 A preference stock and 50p in cash for each B preference share.

Common suspended for refinancing

BY CHARLES BATCHELOR

THE shares of Common Brothers, the loss-making Newcastle-upon-Tyne shipping group, were suspended yesterday to allow the company to agree a refinancing package with its bankers.

Common is capitalised at just £1.92m on the basis of the 32p suspension price. This compares with a price of 112p last November before it announced that a £17m write-off on a drilling ship. This pushed it into a loss of £30.1m in the year ended June 1984 compared with a previous profit of £2.2m.

The company said it had put a plan, drawn up by its merchant bank, Hill Samuel, to its four main bankers to rearrange certain loan facilities, dispose of some of its assets and convert a significant portion of its loan and charter obligations into share capital.

Mr Kristian Siemm, chief executive, said: "The mood of our bankers is positive but we are not quite there. The shipping world is difficult but we have assets which are not just bulk carriers. Any disposals will be orderly and over a period of time."

Common said that its bankers were continuing to provide it with interim facilities while the discussions take place.

The company had not intended to make any announcement until it had completed negotiations with its bankers but it had decided to request a suspension when its share price fell. Dealings were marked on Tuesday at 43p, 11p higher than the suspension price.

Common's cruise activities, its livestock carrier and two LPG vessels have been profitable but the product tankers have lost money and the bulk carrier has been barely breaking even.

IRO Frigg, a drilling vessel bought in 1981, is currently laid up but the drilling market has shown more activity in recent months and there are prospects of it finding work, Common said.

Common is 53 per cent owned by Norex Corporation, a Bermuda-based company which is controlled by trusts of Mr Siem. The Common family own about 10 per cent.

News of Common's problems came less than a week after Reardon Smith Line, a Cardiff shipping company announced it would go into liquidation because of mounting losses.

British Empire

Subscriptions have been received for 82.8m. new ordinary 10p shares in British Empire Securities and General Trust, representing 77.4 per cent of the rights issue.

The Imperial Life Assurance Company of Canada subscribed for 14.24m shares, and now holds 20 per cent of the enlarged capital.

The balance, of 18.39m shares, was sold in the market at an average net price, after deduction of the 28p subscription price and sales expenses of 0.0625p per share.

Henderson Administration profit expands by 43% to £12.48m

A RISE of 43 per cent in pre-tax profits, from £8.73m to £12.48m, is reported by the financial and investment management company Henderson Administration for the year ended March 31 1985.

The group's revenue showed a near 30 per cent rise from £15.9m to £20.14m, while its operating profit on its main activities climbed more than 50 per cent to £8.85m (£5.72m).

The net profit on the ordinary activities of the group rose by 45 per cent from £4.79m to £6.96m. After extraordinary credits of some £2.1m and a transfer out to initial charges equalisation reserve are taken into account the net attributable profit more than doubled from £3.95m to £8.31m

Earnings per share were 67.33p before the transfer, and 61.74p after the transfer. The dividend payment for the year is increased by 60 per cent to 16p (10p) with a final payment of 12p.

The overall gain to the group of its disposal of its holding in Henderson Baring Management was £5.95m gross—£4.17m after tax—of which £2.16m was treated as an extraordinary item and the £2m balance being the group's share of undistributed reserves.

The company does not provide a profit breakdown between the various operations in the preliminary results; this is provided in its report and accounts. However, it says that all sectors showed a strong rise, with profits from the unit trust operations still providing the majority of overall profits. However, profits from management fees on pension fund and private client investment rose faster.

Total funds under management increased nearly 50 per cent during the year from £1.73bn to £2.55bn, with the outstanding growth coming from its pension fund operations. Here, direct portfolios more than doubled from £410m to £872m and together with other tax exempt clients accounted for the largest single category of funds under management.

Its unit trusts operations also did well, rising to £988m at the end of the year. Henderson's share of the unit trust market rose to 6 per cent.

The performance of its major investment trusts managed by the group was in the top 25 per cent on performance measurement surveys.

Private clients business recorded a 26 per cent rise in funds to £157m.

● comment

Henderson's results were well above market expectations, with all sectors doing well under what has been very favourable conditions for investment management companies. Its main unit trust activities fully participated in the recent boom, with the group increasing its market share. Its moves to expand marketing outlets are now starting to bear fruits and the comfortable margins will ensure that these operations will remain the chief profit earner for the group. The major success story is the group's expansion in the area of pension fund investment management—a field it entered just eight years ago. Employers are becoming far more critical of the performance of their pension funds and Henderson's record—it is in the top quartile of the MW Computing Services survey — has enabled it to attract new business, as has its independence from any other financial institution. Margins, however, are much slimmer on pension fund management compared to unit trust operations and the group has to work hard to produce profit increases. Nevertheless, growth should continue in the current year as equity markets remain strong. The market reacted sharply to the results lifting the share price 90p to 825p, giving a p/e of 12.2—which still does not fully reflect the group's potential.

Heywood

Heywood Williams Group owns or controls some 92.6 per cent of the Planet Group according to acceptances received by June 4.

By 3.30 pm on that date acceptances for the Heywood offer had been received from the holders of 91.1 per cent of the Planet share capital. The offer has become wholly-unconditional and is being extended until further notice.

Rayford Supreme shares jump 75p on bid talks

BY ALEXANDER NICOLL

The share price of Rayford Supreme Holdings, USM-quoted retailer of electrical goods, jumped 75p yesterday to 209p, valuing it at £17m, after the company disclosed that it is in discussions which may lead to an offer.

Any bid for the company would need the backing of its founder and chairman, Mr Raymond Horney, who holds 72 per cent of the equity.

That Mr Horney should be in talks with a potential bidder surprised the City. The company went public in 1983 and has since spent heavily on a rapid expansion to create a chain now totalling 32 branches, all in southern England.

Having built a network based on two depots at Shoreham and Swindon, Rayford could easily expand further at relatively little additional cost, analysts said. Rayford does, however, have an erartic profit record, rising from £291,000 in the year before flotation to £1.8m pre-tax in the year ended September 30, 1983, then dropping to £1.2m in the last financial year. Profits are expected to rise nearer the 1983 total this year.

Following takeovers of Comet and Currys last year, Rayford is the only pure retailer of electrical goods apart from Dixons to have a stock market quote.

An obvious candidate to bid for Rayford would be Harris Queensway, which made an unsuccessful attempt to buy Comet last year. Whether or not Harris is interested, the potential bidder is thought likely to come from outside the electrical retailing business.

Simon Engineering has acquired Gala Engineering, a privately-owned company based in Norfolk. The initial consideration for the purchase, amounting to £1.5m, will be raised by the issue of 618,086 Simon ordinary shares of 25p each, of which 433,767 will be placed through Rowe & Pitman, and the balance retained by Gala. In addition a further £1m may be payable, subject to profit performance, in four tranches in the period to March 1989.

* * *

Steel Brothers Holdings, involved in construction, foodstuffs and manufacturing, has acquired Air Cuisine, which provides in-flight catering at Luton and Glasgow airports. Air Cuisine's major airline customers are Britannia Airways, Monarch Airlines, British Caledonian, British Midland Airways and Scandinavian Airlines.

The acquisition will complement Steel's operations in Canada through Eagle Flight Catering at Vancouver, Edmonton and Toronto, and Gatwick flight catering in England.

Steel Brothers also acquires Air Cuisine's subsidiary, Winterstar.

DIVIDENDS ANNOUNCED

Henderson Admin	12	July 11	7	16	10
Pegler-Hattersley	9.25	Aug 7	8.5	14.5	13.5
Reed Intl	12.75	Aug 13	11.5	18.5	16.5
Rowe Evans	2.25	July 17	1.35	2.25	1.35
Sketchley	11†	July 26	9.9	15.3†	14
J. Smart int	1.2	July 15	1.1	—¶	3.95

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Final of 3.15p forecast.

Public Works Loan Board rates

Effective June 5

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
1	—	—	11¾	—	—	12¼
Over 1, up to 2	11⅝	11⅝	11½	12¼	12⅜	12¼
Over 2, up to 3	11½	11½	11⅜	12⅛	12¼	12⅛
Over 3, up to 4	11½	11⅜	11⅜	12⅛	12⅛	12
Over 4, up to 5	11⅜	11⅜	11¼	12	12	11⅞
Over 5, up to 6	11¼	11¼	11⅛	11⅞	11⅞	11⅞
Over 6, up to 7	11¼	11⅛	11⅛	11⅞	11⅞	11¾
Over 7, up to 8	11⅛	11⅛	11	11¾	11¾	11¾
Over 8, up to 9	11⅛	11	11	11¾	11¾	11⅝
Over 9, up to 10	11	11	11	11⅝	11⅝	11⅝
Over 10, up to 15	11	10⅞	10⅞	11⅝	11½	11½
Over 15, up to 25	11	10⅞	10⅞	11½	11½	11½
Over 25	10⅞	10⅞	10⅞	11½	11½	11½

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

Reed International P.L.C.

Preliminary Results for Year Ended 31 March 1985

Trading Results

Turnover increased by 4% to £2115m (1984: £2043m). Excluding major divestments, the increase for continuing businesses was 17%.

Pre-tax profit increased by 12% to £107.5m (1984: £96.4m).

Historical trading profit increased by 13% to £127.1m (1984: £112.7m). Current cost trading profit increased by 3% to £68.8m (1984: £66.6m).

The dividend for the year is to be increased by 12% from 16.5p to 18.5p.

£ million	1985 Sales	1985 Trading Profit	1984 Sales	1984 Trading Profit
Reed Publishing	523	57.2	423	40.3
Consumer Publishing	207	11.4	223	16.0
Reed Building Products	194	8.9	182	13.0
Paint and DIY	247	17.4	183	11.8
Packaging	334	18.4	302	15.0
Reed Trading	210	9.6	171	5.6
European Paper	196	2.3	174	3.0
North American Paper	191	5.2	176	6.3
Decorative Products	113	3.4	105	3.0
Mirror Group Newspapers	75	1.2	277	5.7
Central Costs		(7.9)		(7.0)
Inter-Company Sales	(175)		(173)	
	2,115	127.1	2,043	112.7

Turnover and trading profits achieved record levels. With generally highly competitive markets, UK profits declined but the fall was more than offset by improved results overseas, notably in publishing in the USA. The weakness of sterling contributed £7m to an £18m improvement in overseas profit. Exceptional costs for rationalisation charged against trading profit were £5m (1984: £10m).

PRELIMINARY CONSOLIDATED PROFIT STATEMENT
for the year to 31 March 1985

Historical Cost £ million	1985	1984
Turnover		
United Kingdom and Exports	1367.1	1474.0
Overseas	748.1	569.0
	2115.2	2043.0
Trading Profit before Exceptional Items	132.2	122.7
Exceptional Items	(5.1)	(10.0)
Share of Profits of Related Companies	1.4	2.7
Operating Profit		
United Kingdom	68.2	73.3
Overseas	60.3	42.1
	128.5	115.4
Interest	(21.0)	(19.0)
Profit before Taxation	107.5	96.4
Taxation		
United Kingdom	(21.8)	(18.3)
Overseas	(21.5)	(9.4)
	(43.3)	(27.7)
Profit after Taxation	64.2	68.7
Outside Shareholders' Interests	(0.3)	(0.3)
Preference Dividends	(0.2)	(0.2)
Profit before Extraordinary Item	63.7	68.2
Extraordinary Item	15.0	—
Profit attributable to Ordinary Shareholders	78.7	68.2
Ordinary Dividends paid and proposed 1985: 18.5p per share (1984: 16.5p per share)	(22.0)	(19.5)
Retained Profit	56.7	48.7
Earnings per Ordinary Share	53.6p	57.7p

The figures for the year are abridged from the Group's full accounts for that period, which have received an unqualified auditors' report and will be filed with the Registrar of Companies after the Annual General Meeting.

Review of Operating Groups

Reed Publishing. The largest British owned publishing and exhibitions group continued to make vigorous progress and increased trading profit by 42% to £57m. The group generated 45% of Reed International's trading profit from 21% of balance sheet capital employed. With significant new investment, the rapidly expanding Cahners business in the USA has been particularly successful. UK regional newspapers continued to develop and substantial investment was made in electronic data based publishing.

Consumer Publishing. The fall in profit this year was largely attributable to lost issues as a result of a journalists' strike and sharply increased paper costs. The European Courtesy Magazines Group was acquired.

Reed Building Products. The imposition of VAT on home improvements seriously impaired the already depressed UK market for building materials. Turnover was maintained but at much reduced margins. Key Terrain suffered particularly from severe price cutting by competitors. Profits from the UK businesses in the second half of the year were significantly reduced. In Holland, Sphinx benefited from previous investment and rationalisation and produced much improved results.

On 30 May 1985, the Company announced that it is seeking purchasers for the companies within the Building Products Group.

Paint and DIY. Profits were higher in all main areas both in the UK and overseas. Frazee Industries (paints) and W F Taylor (adhesives) were acquired in the USA for £24m and contributed £3m to trading profit.

Packaging. UK demand was generally static and Medway Sacks, a major supplier to the coal industry was badly hit by the miners' strike. Reed Corrugated Cases experienced sharp rises in raw material costs related to the strength of the US dollar. Despite this, improved efficiency following rationalisation resulted in increased profits in the UK. Higher demand and greater efficiency increased profits in Holland. The group continues to develop plastic packaging in addition to traditional paper products.

Reed Trading. Spicers office products business continued to grow with improved profits. Maybank benefited from a very strong market for waste paper. Reed Carbonless Papers with a good production performance returned to profit. Spicer-Cowan significantly improved its profit prior to its sale in February 1985.

European Paper. In the first three quarters, UK mills lost £3m but returned to profit in the last quarter. Contributory factors to the turn round were: a fall in excessively high pulp prices; reduced energy costs resulting from investment in converting boilers from oil-burning to gas; and the planned closure of six paper and board machines. The mill in Holland with record sales achieved satisfactory profit.

North American Paper. The Quebec mill maintained full capacity working and continued the investment programme of machine upgrading. Profit improved as a result of higher US newsprint prices but margins in off-shore markets were poor. Chemical operations maintained profits but flexible packaging suffered a setback. The Greenville joint venture sawmill continued unprofitable and was sold at a loss of £2m.

Decorative Products. Following extensive rationalisation programmes, the group achieved modest profits. Since the year-end the Company has sold the Crown and Sunworthy wallcoverings businesses and is negotiating to sell Sanderson.

Taxation

The effective rate of taxation increased to 40% of profit before taxation (1984: 29%). The basic rate of Corporation Tax in the UK reduced from 50% to 45% but this was more than offset by the ending of stock relief and reduced capital allowances, which increased the effective rate from 33% to 41%.

The exhaustion of most brought forward losses in the USA increased the effective rate of overseas taxation from 23% to 39%.

Group Restructuring and Extraordinary Items

The Company sold its investments in Mirror Group Newspapers, London and Provincial Posters and Spicer-Cowan with a net surplus on divestment of £53m.

Most of the Group's remaining printing businesses were sold or closed with a net loss of £6m.

At the half-year, following the decision to close loss-making paper machines, the Board announced its intention to make provision for possible further rationalisation in some of the UK paper and board activities. The net provision amounts to £32m.

These items are reported as a net extraordinary gain of £15m.

Intangible Assets and Goodwill

A revised accounting policy for intangible assets and goodwill has been adopted. Publishing rights and titles and exhibition rights are stated at fair value on acquisition, and having no finite economic life are not subject to amortisation. Any other excess cost or goodwill is written-off against consolidated reserves. Previously capitalised goodwill of £50m has been written-off to reserves as a prior-year adjustment and the 1984 balance sheet restated.

Finance

CONSOLIDATED BALANCE SHEET

£ million	1985	1984
Funds Invested		
Shareholders' Funds	649	597
Outside Shareholders' Interests	4	4
Loan Capital	177	171
Net Overdraft (cash)	(6)	18
	824	790
Funds Employed		
Properties and Plant	448	456
Investments	15	17
Intangible Assets	106	63
Working Capital	255	254
Capital Employed	824	790

Trading cash flow was £36m (1984: £64m) after capital expenditure of £103m (1984: £81m).

Proceeds from divestments were £146m (1984: £8m) and investment in new acquisitions totalled £70m (1984: £22m).

Net Indebtedness at the end of the year was £171m (1984: £189m). The Debt/Equity Ratio was 32% (1984: 36%).

Earnings and Dividends

Profit attributable to shareholders before Extraordinary Items was Historical £64m (1984: £68m) and Current Cost £15m (1984: £30m) resulting in Earnings per Share of Historical 53.6p (1984: 57.7p) and Current Cost 12.5p (1984: 25.2p).

The Board has decided to recommend a final dividend of 12.75p per Ordinary Share making, together with the interim dividend of 5.75p already paid, a total of 18.5p for the year (1984: 16.5p), an increase of 12%.

Subject to approval at the Annual General Meeting which will be held on 23 July 1985, the final dividend will be paid on 13 August 1985 to shareholders on the register on 5 July 1985.

REED INTERNATIONAL P.L.C., REED HOUSE, 83 PICCADILLY, LONDON W1A 1EJ

UK COMPANY NEWS

Easier trading for Sketchley in second half

TRADING CONDITIONS eased in the second half for Sketchley, the industrial workwear rental, linen hire and retail dry cleaning group. Pre-tax profits in the last six months of the year to March 29 1985 increased slightly on the same period in the previous year, but that was not enough to overcome the fall of the first-half and profits for the year finished 6.28 per cent down at £10.15m.

The figures were achieved on turnover which soared by almost 61 per cent in the second-half, to give an annual rise of 57 per cent to £159.17m.

Operating profit finished slightly ahead of the previous year at £11.87m (£11.11m), but increased interest charges, up from £281,000 to £1.71m, left pre-tax profits lower.

With tax at £3.91m (£4.38m) and an extraordinary debit of £727,000, being the costs of closing its West German business, earnings per share were 27.1p on the increased capital following the rights issue, compared with 32.4p in 1983-84.

The chairman, Mr Richard Newton, says that the miners' strike, the costs of assimilating new acquisitions and difficult trading conditions combined to affect margins.

He adds, however, that the new financial year has started well. Many of the problems in the year under review were non-recurring and with strengthened management allied to new marketing initiatives the board is confident about the prospects.

A final payment of 11p net per share has been proposed, making a total of 15.3p, up from last year's 14p.

In the UK, which accounted for a little more than 40 per cent of group turnover and almost 63 per cent of pre-tax profits, lower profits were recorded by two major divisions. Retail cleaning was affected by extremes of weather last summer and in January and February. The rental business achieved a substantial increase in volume to smaller customers but this was not enough to offset the increasing pressure on margins in the mainstream business.

Mr Newton reports that in the U.S.—which accounted for 52.25 per cent of turnover and 43.54 per cent of pre-tax profits, profits from the uniform and linen rental businesses were lower as a result of reorganisation. There was, however, a substantial and satisfactory contribution from the diaper rental business acquired at the end of last year.

In Canada the dry cleaning company had a good first half but the second six months were adversely affected by the short-term expense resulting from the change of name and updating of operating systems.

The small investment in West Germany proved unsuccessful and this was sold.

Mr Malcolm Glenn, chief executive of Sketchley

● comment

Sketchley clearly signalled poor results when it announced a major board restructuring in late March. As such the bad news has been discounted leaving just a bit of room for the 7p rise to 355p. The main drag on profits has been servicing group debt—especially the $11m or so legacy from the two U.S. acquisitions and the C$4m borrowings for the Canadian unit. Gearing overall is about a third of shareholders' funds although interest and exchange rate changes make this a slightly variable feast. Given nothing exceptional on the rate front the repayments hump should now have been passed and so the charges should fall this year. In the UK the miners' strike hurt the rental side as did low margins generally but in dry cleaning the group is holding its share of the market at just over a fifth. The combination of more inventive marketing schemes in the UK (dry cleaners in the supermarket and the garage and vouchers) plus getting profits out of North America commensurate with the turnover figures should provide the basis for a better current year. What the market is looking for is £12½m pre-tax, which on a 40 per cent tax charge has the shares trading on a prospective multiple of almost 11.

MINING NEWS

Second S. African gold mine prospect being investigated

BY KENNETH MARSTON, MINING EDITOR

FOLLOWING Consolidated Gold Fields' announcement this week of a major extension of its Kloof mine into the neighbouring Leeudoorn area in South Africa's West Rand, another possible gold mine is taking shape in the Orange Free State.

The area being explored is on the Leebult, Leeuwfontein Leeuwfonteinswerft farms in the Theunissen district adjacent to the eastern boundary of the Gencor group's Beatrix gold mine. The prospect shafts are to be sunk.

Interests in the area are held by Johannesburg Consolidated Investment (45 per cent), Randfontein Estates (45 per cent) and the Anglo American Corporation group (10 per cent).

The move follows intensive drilling, which has continued to give encouraging results. The fact that the partners have decided to sink prospect shafts suggests that they are confident that the area has the making of a gold mine.

It could be a year or two, however, before they are prepared to decide whether to go ahead with a new gold mine. This will depend largely on the level of the U.S. gold price and the relationship between the South African rand and the U.S. dollar.

Details of likely gold grades and ore tonnages have yet to be announced, but the indications are that the deposit lies at a relatively shallow depth. This suggests that a mine would not require an unduly high capital cost and could be brought to production fairly quickly.

MINING NEWS IN BRIEF

The terms of a new three-year wage agreement negotiated between the United Steelworkers of America and Canada's nickel-producing Inco have been accepted by a large majority of the company's employees at Sudbury and Port Colborne, Ontario.

Workers at the Herculaneum, Missouri, lead smelter of Fluor Corporation's St Joe Lead unit have overwhelmingly rejected a company contract proposal which called for wage cuts and have returned to work pending further talks.

* * *

Australia's Pancontinental Mining has exercised its option to acquire a further 2 per cent stake, making 5 per cent, in the Central Queensland Coal Associates and the Gregory joint ventures for U.S.$50m (£39m).

Pancontinental will borrow U.S.$30m and pay the balance from its U.S. dollar funds and other sources.

* * *

Mr Baharuddin bin Ma'arof, chairman of the Malaysian tin-producing Tronoh Mines, expects tin export controls imposed by the International Tin Council to be in force for at least a few more years. The Tronoh group's stocks of tin concentrates have reached the maximum permitted level and lower profits are expected this year.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims:—Blue Arrow, Canvermoor, Grootvlei Proprietary Mines, Irish Distillers, Marievale Consolidated Mines, Nottingham Brick, St Helena Gold Mines, Stilfontein Gold Mining, United Spring and Steel, West Rand Consolidated Mines.

Finals:—Amber Industrial, Brownlee, Buffelsfontein Gold Mining, Century Oils, Habitat Mothercare, LCP, C. and W. Walker.

FUTURE DATES

Interims:—	
Associated Energy Services	June 14
Camford Engineering	June 13
Fenner (J. H.)	June 18
Microgen	June 11
Rentokil	Aug 20
Sidlaw	June 13
Finals:—	
BPB Industries	June 26
Baker Perkins	June 21
Bassett Foods	June 12
Chamberlain Phipps	June 17
Halma	June 25
Hazlewood Foods	June 10
Oxford Instruments	June 19

UK COMPANY NEWS

Pegler set for progress after static trading year

WITH THE total level of demand from its major market much the same as in the previous year Pegler - Hattersley saw little change in trading profits for 1984-85.

The group's valve and distribution divisions benefited from an upturn in process plant investment in the second six months but activity in the building industry declined and earnings from this area were lower.

However, helped by higher interest income and a sharp reduction in redundancy costs, profits at the pre-tax level emerged £1.09m ahead at £18.11m.

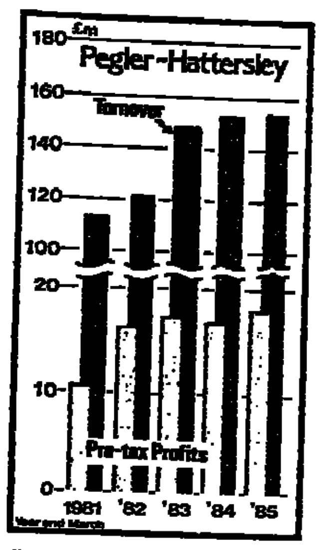
The dividend for the year is being stepped up by 1p to 14.5p net per 25p share by an increased final of 9.25p.

Group chairman Sir Peter Matthews tells shareholders that the current year has begun with better order books and an improved position in the valve and distribution sectors.

He says the recovery in process plant spending which took place during 1984-85 has been encouraging and he hopes to see this extend to other sectors in the current year.

Although building markets remain weak, the group's overall trading performance should improve. However, Sir Peter warns that earnings from related companies will be lower as a result of the present recession in South Africa.

For the past 12 months, to March 30 1985, group turnover edged ahead from £152.63m to £154.41m. Trading profits were virtually static at £10.51m, compared with a previous £10.55m



—Pegler manufactures industrial valves, controls and fittings together with building and general products.

The share of profits from related companies slipped to £5.58m (£5.82m) but net interest receivable added £479,000 more at £2.27m and redundancy charges were reduced by £891,000 to £249,000.

The fall in earnings from related companies was due entirely to declines in the South African and New Zealand exchange rates. In total, currency movements over the year reduced group pre-tax profits by some £1.6m.

Tax took £7.84m (£7.68m) and the closure of the PVF distribution company in Louisiana was accountable for a £1.42m rise in extraordinary debits to £2.51m. After such charges profits for the year came through at £7.76m, against £8.25m. Earnings improved by 3p to 33.6p per share.

● comment

Pegler-Hattersley has emerged in sound shape from a tough year in the UK building industry. While profits from building products were down, they have not fallen as much as had been feared—the plastic pipe operations slipped into loss in the face of intense price competition in the market, which had also hit other manufacturers, Hepworth Ceramic among them. But the upmarket plumbing products gained market share to make up some of the shortfall. More importantly, in the industrial valves division, Pegler is seeing a steady improvement in demand continuing in the current year and generating a sufficient profit increase to tide things over until the next upswing in UK building activity. Overseas, the group has bitten the bullet by closing PVF in the U.S., the only big loss-maker, which was unable to cope with the downturn in the petrochemicals industry which hit the business soon after it was acquired in 1982. The closure leaves the group in better position to pursue its steady UK expansion policy, notably with the purchase of Satchwell Sunvic (environmental controls) from GEC. The current year should see more steady progress to £19m-£20m pre-tax. Yielding 7 per cent, the shares up 8p to 294p, are a solid defensive stock.

Commodity losses hit Brown & Jackson

A turnround from a profit to a loss at Orionfinch, commodity trading company, has left taxable profits of Brown & Jackson, marketing and distribution, commodity trading concern, down from £687,000 to just £73,000 for 1984. Again there is no dividend payment on ordinary and preference shares.

The directors state that but for the reversal at Orionfinch, the group would have registered continued steady progress in its overall profitability in 1984.

Turnover expanded from £88.1m to £136.48m during the 12 months to December 31 last, and pre-tax profits were after interest payable down from £134,000 to £19,000.

The directors explain that the commodity losses resulted from the high volatility of commodity prices stimulated by the currency fluctuations which have characterised the economic scene over the last year.

They add, however, that Orionfinch has reduced its trading volumes and is showing a small profit in the current year.

Tax charge for the 12 months was £64,000 (£62,000) and after minorities £33,000 (nil) and an extraordinary credit of £106,000 (£82,000) loss per share is given as 1.33p (1.92p earnings). The extraordinary items for the period arose on the disposal and closure of subsidiaries, the directors state.

J. Smart

The directors of J. Smart (Contractors) estimate that profits before tax for the year to July 7, 1985, will be not less than £1.25m, which would be an increase of £367,000 over last year. They add that the figure will be made up of trading profits, up from £778,116 to £958,000 and profits on the sale of investments of £287,000 against £100,465.

The interim dividend is to be raised from 1.1p to 1.2p net per share, and a final of 3.15p (2.85p) is promised.

Turnover is running at approximately the same level as last year.

Tuned up and ready for market

SONGS OF PRAISE and Britain's number one selling single 19 could hardly be said to be on the same wave band.

But both were made using the equipment of Advanced Music Systems, a company that will be joining the stock market next month, with a value of between £30m and £50m.

The group claims to be the world leader in the market for digital and analog audio processing equipment. It designs and manufactures a high quality range of products which it sells to the professional audio and broadcasting industries—to television and radio, recording studios and to video and film production companies.

The market in digital audio equipment is just becoming fashionable. "Like turbo engines are to cars, digital audio equipment is to the music industry," explains Mr Stuart Nevison, who at 32 is co-founder of the company with 33-year-old Mr Mark Crabtree.

The equipment translates audio signals into computer language, so that it can be electronically edited, maintaining and enhanced while retaining the quality of the sound. It can introduce a delay, change the pitch of the sound or create an echo. Drum beats and whole backing tracks can be stored and triggered on demand.

While the pop music industry is not AMS's most important customer, Mr Nevison says that it is pop music that drives it forward.

The group, which has developed original ways of manipulating sound for such pop stars as Phil Collins (whose latest album No Jacket Required has been at the top of the album charts) says that it would now be difficult to find a top twenty single that does not use its equipment.

AMS started making digital equipment nine years ago, and has grown up with the market. In each of the last four years turnover and profits have doubled, and in 1984, the company made £1.9m pre-tax profits on sales of £3.5m.

The volume of exports has grown even faster, and in 1984 and 1985 AMS was awarded the Queen's Award for Export Achievement.

About 18 per cent of sales went to the U.S. last year, but the company expects this percentage to rise to reflect the dominance of the U.S. in the market. The recent move in the U.S. towards using stereo sound in television is opening new markets to AMS.

Demand for high quality sound is also being fostered by the success of compact disc players.

The group is continually developing new products and adding new software and hardware parts to existing ranges to prevent them from becoming obsolescent and to maintain its lead in the market. AMS currently has about nine different products which sell for an average price of £5,000.

All of the company's products have been developed by Mr Crabtree with a team of a dozen full-time R and D staff.

AMS will be coming to the market via an offer for sale by Barclays Merchant Bank. While the final details have yet to be agreed, the shares are expected to be offered on a p/e multiple of about 20. Brokers to the issue are Rowe and Pitman.

Brent Walker offer

The offer for sale of shares in Brent Walker, the leisure group returning to the stock market after two years obsence, has been oversubscribed 1.85 times.

For the 9.2m shares offered at 130p each, applications for 17,026,400 shares have been received, and will be allocated as follows: applications of 400-1,000 will be chosen by ballot, and met in full; between 1,500 and 25,000 shares will be allocated by weighted ballot, with 1,500-14,500 receiving 1,200; 5,000-10,000 receiving 4,000, and 11,000-25,000 receiving 8,000 shares. Applications for more than 30,000 shares will receive about 59 per cent of the amount applied for.

COMPANY NEWS IN BRIEF

Yearling bonds totalling £8.9m at 12 per cent, redeemable on June 11, 1986, have been issued by the following local authorities. Bromsgrove District Council £0.5m: Bury (Metropolitan Borough of) £0.5m: Hyndburn (Borough of) £0.5: Kettering Borough Council £0.5m: Llanelli (Borough of) £0.25m: Tewkesbury BC £0.5m: West Glamorgan County Council £0.75m: Brighton BC £1m: Fife Regional Council £1m; Hammersmith and Fulham (London Borough of) £2.5m: Northavon DC £0.25m: Suffolk Coastal DC £0.5m: Alnwick DC £0.15m.

* * *

The offer for sale of 14m shares in Nordic Investment Trust has closed with 1,049 aplications for a total of 15.2m shares. Applications from sub-underwriters for 10.5m shares have been accepted in full with other applications for up to and including 500,000 shares also accepted in full and applications for shares in excess of that number allotted 42.5 per cent of the amount applied for. Dealings are expected to start on Friday.

* * *

Turnover at MY Dart was up by some 14 per cent in the first five months of the current year and the outlook appeared to be more encouraging than for some time, Mr Paul Marks, chairman, told members at the annual meeting.

C. R. Packaging has had a buoyant start to the year, but Trondex experienced a downturn in business as a result of a considerable reduction in demand by the home computer industry.

The chairman added that the pyrotechnics business had a significantly improved order book, while Dawes Cycles continue to perform satisfactorily in a difficult market place.

* * *

The William Low rights issue has been taken up to 93.3 per cent. The remaining 6.7 per cent (202,579 shares) has been sold in the market at approximately 636p per share net.

* * *

Pre-tax profits of Rowe Evans Investments, plantations concern, doubled from £1.98m to £3.89m for 1984, and the dividend is lifted from 1.35p to 2.25p per share.

After tax of £1.98m, compared with £930,000, and minority interests, £148,000 (same), earnings are shown as 6.05p, against 3.32p.

Pre-tax figure included associate companies' profits of £1.6m (£1m) but was after interest payable of £52,000 (£134,000).

Extraordinary credits amounted to £322,000 (£260,000) leaving the attributable balance at £2.09m (£1.16m). Dividends will absorb £656,000 (£393,000) leaving £1.43m (£768,000) retained.

BANK RETURN

BANKING DEPARTMENT

	Wednesday May 29 1985	Increase (+) or Decrease (—) for week
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	4,465,599,584	— 679,307,569
Bankers Deposits	746,727,295	— 93,894,512
Reserve and other Accounts	1,562,861,560	— 1,564,454
	6,789,741,439	— 774,766,535
ASSETS		
Government Securities	476,571,381	+ 32,940,000
Advance & other Accounts	801,586,589	— 15,929,846
Premises Equipment & other Secs.	5,498,968,070	— 800,611,599
Notes	12,394,922	+ 8,825,091
Coin	220,477	+ 9,819
	6,789,741,439	— 774,766,535

ISSUE DEPARTMENT

LIABILITIES	£	£
Notes in circulation	12,367,605,078	+ 71,174,909
Notes in Banking Department	12,394,922	+ 8,825,091
	12,380,000,000	+ 80,000,000
ASSETS		
Government Dept	11,015,100	—
Other Government Securities	1,939,708,616	+ 161,681,886
Other Securities	10,429,276,284	+ 241,681,886
	12,380,000,000	+ 80,000,000

THE MANAGEMENT PAGE: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

IT IS not easy to walk down New York's more fashionable avenues these days without being visually assaulted by one or another of Europe's swankier retailers.

Gucci is battling it out on two prime corner sites opposite the newly-opened Aquascutum, not a stone's throw from the graceful renaissance palace which houses the *Plaza Hotel*. Jaeger is just around the corner, Charles Jourdan up the road, and Laura Ashley not far away.

But the biggest sensation of *the year is in the more* fickle business of fashion for the young, where a clutch of Benetton shops has established an unavoidable position on Fifth Avenue. There are three of them, standing out like vivid, multi-coloured orchids, within a few yards of the incongruous mock Gothic towers of St Patrick's Cathedral. And scattered elsewhere in the avenue are another four.

Benetton shops are now a familiar sight in countries across Western Europe. Until the past couple of years, the main thrust of the company's export drive has been out into the EEC from its base at Treviso, near Venice in Northern Italy. But the direction of its growth has now *shifted decisively to the U.S.*, where Aldo Palmeri, managing director, expects the company to show explosive growth from around 200 shops today to 1,000 within three years, against a current total of 2,640 shops worldwide.

This rate of expansion would expose any company to a sizeable risk, let alone a modestly-sized family group (sales last year of $324m) based 3,000 miles away from the most competitive market in the world. But over the years, Benetton has deve*loped some powerful marketing* antidotes, which, it believes, should serve it equally well in the U.S.

The first is the company's system of franchising its shops, *although it refuses to call it* that. This method of operating is tailor-made for the U.S., where McDonald's hamburger outlets and a host of other retailing chains have clearly established the idea of giving small entrepreneurs a stake in the success of the business.

Benetton's system is run by splitting the U.S. into 12 regions, each run by a semi-independent agent who earns a commission on the sales in his area of responsibility.

The agent is a key operative, *vetting proposals for* retail outlets, appointing new shopkeepers, taking their orders and *feeding back* market information. Benetton's own effort goes into manufacturing in its 10 company factories, subcontracting a good percentage of the work, running the wholesale distribution system, and designing the range of cotton and wool knitwear and casual clothing.

Second, *Benetton has found* that it can create a healthy form of internal competition by using its franchising system in a way which other conventional shopping chains do not—the system, demonstrated clearly on Fifth Avenue, of establishing a number of shops in the same area or street. Angelo Savardi, whose company, Villa Minelli, is Benetton's agent in Los Angeles, says emphatically that franchising different outlets in apparently competing areas does not hurt the company.

Indeed, Savardi says he has no problem in finding suitable retailers in California, despite the cost of entry. On average, a Benetton shopkeeper would expect to spend around $170,000 setting up his establishment, and in a large outlet on a smart street, he might be thinking of as much as $300,000 or even *more*.

Third, Benetton puts a great deal of energy behind its pro*motional effort*.

Fourth, the company runs its product lines with an eye to maintaining minimum inventory. Production is typically only authorised against orders. Shelf life and the passage of a product through the production and distribution system—itself highly computerised—is thus reduced, freeing up cash, and thus limiting the company's financial risk in product lines which are by nature extremely ephemeral.

Some analysts are not *convinced that all this adds up* to a long-term strategy for the company in the U.S. They see the strength of the European group as primarily a reflection of the high valuation of the dollar.

Indeed, Benetton started to move in on the U.S. in 1980, at around the time that the U.S. currency began its long run up to become today's super-dollar. It is perhaps no coincidence that its progress in the U.S. is being emulated by other European retailers, such as IKEA, the Scandinavian furniture group, and that other big companies like Euromarche, the big French supermarket *chain, are now* testing the water.

Palmeri, however, does not *appear unduly concerned about* currency considerations. For a start, he does not believe that the dollar is going to fall very much more this year. And second, he is planning to begin manufacturing in the U.S. as a way of hedging the currency risk as well as developing a closer link between production and the local market.

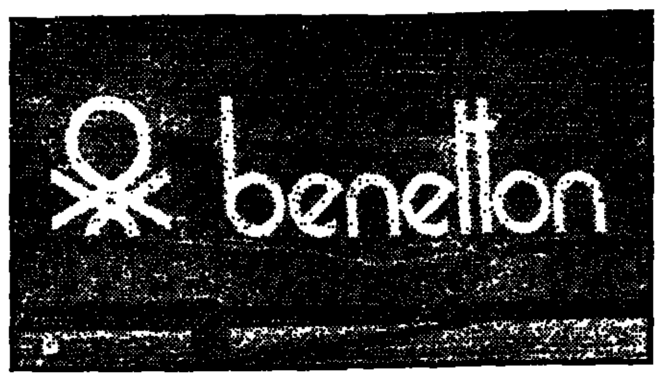
The main restraint on growth as he sees it is the financial limitation imposed by the family structure of the company. This is why Benetton is likely to make a public issue for about 25 per cent of the group within the next two years, and why he is looking *for a big financial partner in* the U.S. to offer suitable financing packages to the retail network.

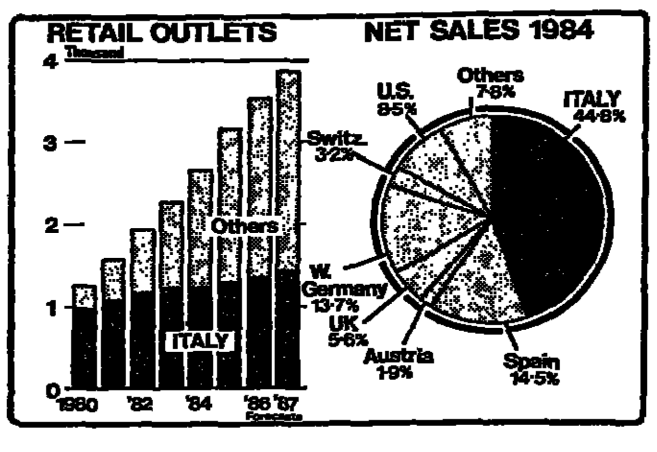
Financial support for the network, he believes, is the key to rapid growth, because of the tight correlation between the throughput of the shops and the development of the group's *production. If the shop demand* is there, it will create the incentive for the expansion of manufacturing which lies at the heart of the business.

At the same time, he is seeking further insurance from the natural swings and roundabouts of the fashion market by extending the range of items in the product line and the type of products sold.

The question other retailers are *asking is how well these* methods will stand up to the rough and tumble of the American *market* once the novelty factor has worn off. Already imitators are beginning to emerge, carrying on the time-honoured American tradition that a good idea bears repetition. At the same time, the consumer boom that has fuelled the current U.S. expansion may well fall away over the next 12 months.

To all of these doubts, Palmeri responds with a marketing man's *credo*. "*We live, and* I believe will continue to live more so, in a competitive and *continuously* changing market where we can only survive and prosper if we are in contact with and respond to what the market wants."





Italian style on Fifth Avenue

Terry Dodsworth on Benetton's U.S. strategy

Hungarian advertising

Something to sell now

BY DAVID BUCHAN

"*YOU COULD not*, for instance, advertise bananas in Hungary," says a senior executive in a *leading* Budapest advertising agency, "because there rarely are any." Bananas, like a few other tropical products, remain virtually unobtainable in the Soviet bloc, even in relatively prosperous Hungary.

The shortage economy has never been conducive to the development of advertising. In the West, flashing neon signs and screaming billboards have become part of the way of life, *if only* because *advertising*, conceived of as a deliberate attempt to stimulate or create demand, meets a real need in economies where supply tends to match or exceed demand. In Eastern Europe, generally, the problem has been reversed: too much demand, too little supply—a situation which anything but the most *low-key* "informative" advertising would simply aggravate.

Thus prohibition on "any advertising which is not covered by sufficient quantity of goods" remains an important part of both Hungarian law and the code of ethics by which the Hungarian Advertising Association (HAA) regulates itself.

But few products now fit into the "banana" category of the non-existent, and as supplies of goods improve, presenting the consumer with some choice, so advertising has developed in Hungary into fairly big business. The trend is widespread in Eastern Europe as Comecon countries all become a bit more market-oriented, but it is most marked in Hungary, where four large agencies and dozens of *smaller ones now take in* 3-3.5 bn Forint ($5.2m) in advertising revenue a year.

Hungarian advertisements in recent years have come a long way in style. They have become *snappier* and more *eye-catching* and percolate virtually every medium — newspapers, radio and TV. *To the Western eye*, many have a dated look, of perhaps the early 1960s. Advertisements in Hungary are still less visual and with more prose and less sex and glamour in them than is found in the West. Nonetheless, they are still a far cry *from 1950s-era hoardings* and billboards proclaiming "Glory to the Party" and the like.

The catalyst for advertising growth has been Hungary's economic reforms which began in 1968. Up to then, Hungarian companies spent not inconsiderable sums on advertising—forints 2bn (£3.2m at current exchange rate) in 1967 *for* instance—but in rudimentary ways (with slogans like "Buy shoes—they are in the shoe shop") and as a very ancillary part of their marketing.

Since, then and particularly since the post-1978 acceleration of the reforms, Hungarian com*panies have had to plan their* own production as central ministries stopped issuing them *with detailed* targets, to live more on their own earnings as the Government cut budget subsidies, and to compete more with each other as the old "horizontal" industrial groupings are broken up.

In these circumstances, many of them have come to see advertising as an essential means of maintaining or increasing market share at home or abroad. Not all, says Peter Nagy, secretary of the HAA. There are still some managers cast in the old central *planning* mould who resist spending on market promotion. Nagy points out *that Hungarian companies still* spend on average less than 1 per cent of their income on *advertising, compared* with the West European average of 5 to 6 per cent. Dr Laszlo Szabo, head of the Hungarian Institute for Market Research (HIMR), attributes this to the tight hold which the government still keeps on profit margins, reducing the amount companies have to spend on advertising or market research.

Hungarian companies are *still required to draw up five* year production plans, even if they no longer follow them precisely. So, increasingly, the major companies do their own *market* research, and the smaller ones commission institutes like the HIMR or the two big advertising agencies, Hungexpo and Mahir, which do in-house market research, to do it for them. The HIMR tends to subcontract studies of western markets out to western organisations, but frequently researches other Comecon markets itself.

While using market research to find out some of the things that its citizens want, the Hungarian Government has also turned to advertising to *let* those citizens know some of the things it wants. With the onset of the energy crisis in the early 1980s (later than in the West because of the different pattern of Soviet oil prices), public service advertising arrived in Hungary.

The specialist in this form of advertising, or refined, public propaganda, is Mahir, the country's number two ad agency which now handles forints 50-80m in government advertising a year. Dr Miklos Csepregi, *Mahir's* deputy manager and public advertising specialist, designed the Govern*ment's energy-saving* advertising programme, with posters, radio and TV ads, and 80,000 home insulation brochures, and claims that, helped by the reaction to higher energy prices, the resulting savings were substantial.

Whether responsive or not to advertising, Hungarians are certainly accessible to the ad men. As Dr Gustav Hollo, deputy manager of Hungexpo, the country's largest ad agency and sole organiser of its industrial fairs, points out, *Hungary is a small* country, with 11m people, six national dailies (one of them in *English and German*), *radio and* television that carry 160 and 100 minutes, respectively, of commercials each week. It has relatively few specialist publications, making the placing of an ad in them, Hollo says, akin to a direct mail shot—and relatively few corporate decision-makers to reach.

But there are still some distinctive traits to show that Hungary is a Communist country. The HAA code of ethics, for instance, states that "advertisements should not emphasise the social status of their addresses as well as educational or financial differences existing among them." No appeal to snobbery, in other words. Luxury consumer goods, video recorders *and the* like, too, are generally promoted by direct mail.

The authorities, proud though they are of Hungary's emerging consumer society, do not *want the advertising industry* to lay too much stress on the inequalities and the fact that some Hungarians are more equal than others.

A public service ad on energy saving finds a driver, always in a hurry and trying to overtake everyone, being exhorted to "Take it easy. Whoever tries to overtake has to use a brake. While braking you waste a lot of energy"

BASE LENDING RATES

A.B.N. Bank	12½%	■ Hill Samuel	§12½%
Allied Irish Bank	12½%	C. Hoare & Co.	12½%
American Express Bk.	12½%	Hongkong & Shanghai	12½%
■ Henry Ansbacher	12½%	Johnson Matthey Bkrs.	13 %
Amro Bank	12½%	Knowsley & Co. Ltd.	13½%
Associates Cap. Corp.	13 %	Lloyds Bank	12½%
Banco de Bilbao	12½%	Edward Manson & Co.	13½%
Bank Hapoalim	12½%	Meghraj & Sons Ltd.	12½%
BCCI	12½%	Midland Bank	12½%
Bank of Ireland	12½%	■ Morgan Grenfell	12½%
Bank of Cyprus	12½%	Mount-Credit Corp. Ltd.	12½%
Bank of India	12½%	National Bk. of Kuwait	12½%
Bank of Scotland	12½%	National Girobank	12½%
Banque Belge Ltd.	12½%	National Westminster	12½%
Barclays Bank	[illegible]	Northern Bank Ltd.	12½%
Beneficial Trust Ltd.	13½%	Norwich Gen. Trust	12½%
Brit. Bank of Mid. East	12½%	People's Trust	14 %
■ Brown Shipley	12½%	Provincial Trust Ltd.	13½%
CL Bank Nederland	12½%	R. Raphael & Sons	12½%
Canada Permanent	12½%	P. S. Refson	12½%
Cayzer Ltd.	12½%	Roxburghe Guarantee	13½%
Cedar Holdings	13 %	Royal Bank of Scotland	12½%
■ Charterhouse Japhet	12½%	Royal Trust Co. Canada	12½%
Choulartons**		■ J. Henry Schroder Wagg	12½%
Citibank NA	12½%	Standard Chartered	‖12½%
Citibank Savings	¶12½%	TCB	12½%
Clydesdale Bank	12½%	Trustee Savings Bank	12½%
C. E. Coates & Co. Ltd.	13½%	United Bank of Kuwait	12½%
Comm. Bk. N. East	13 %	United Mizrahi Bank	12½%
Consolidated Credits	12½%	Westpac Banking Corp.	13 %
Co-operative Bank	*12½%	Whiteaway Laidlaw	13½%
The Cyprus Popular Bk.	12½%	Williams & Glyn's	12½%
Dunbar & Co. Ltd.	12½%	Wintrust Secs. Ltd.	12½%
Duncan Lawrie	12½%	Yorkshire Bank	12½%
E. T. Trust	13 %		
Exeter Trust Ltd.	13½%		
First Nat. Fin. Corp.	13½%		
First Nat. Secs. Ltd.	13½%		
■ Robert Fleming & Co.	12½%		
Robert Fraser & Ptns.	13½%		
Grindlays Bank	‡12½%		
■ Guinness Mahon	12½%		
■ Hambros Bank	12½%		
Heritable & Gen. Trust	12½		

■ Members of the Accepting Houses Committee.
* 7 day deposits 9¼%. 1 month 10¼%. Top Tier—£2,500+ at 3 months notice 12½%. At call when £10,000+ remains deposited.
‡ Call deposits £1,000 and over 8½% gross.
‖ 21-day deposits over £1,000 10¼%.
¶ Mortgage base rate.
** See Provincial Trust Ltd.
§ Demand deposits 9¼%.

Contracts and Tenders

Art Galleries

Legal Notices

CLASSIFIED ADVERTISEMENT RATES

Company Notices

Clubs

U.S. attitude crucial to commodity pacts, Page 46

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Thursday June 6 1985

WALL STREET

Record hit on tax plan optimism

INVESTORS took an increasingly optimistic view of President Reagan's tax plans during trading on Wall Street yesterday to send the market to a record level, *writes Terry Byland in New York.*

Reports of lower North Sea oil prices, which strengthened the view that inflation will remain low in the U.S. as the economy recovers coupled with higher bond prices, also buoyed the market's mood.

Dr Henry Kaufman, senior economist at Salomon Brothers, said that if economic figures expected soon are weak, the discount rate may be cut again.

The Dow Jones industrial average closed up 5.26 at 1,320.56.

The bond market opened with further gains of three quarters of a point, which brought yields at the long end down to around 10¼ per cent. Traders identified Japanese securities houses as among the customers for U.S. Federal securities. Prices moved erratically later as bouts of profit-taking by traders were absorbed, but remained near their peaks.

The stock market opened around 8 higher on the index at a record, with the reporting tape running seven minutes late as buying orders from private investors flooded brokerage offices.

Turnover was nearly 50 per cent up on the previous session, and the market remained very strong, although some prices were trimmed at mid-session.

The best features were among the heavy industrial stocks which benefit from lower interest rates. Minnesota Mining gained $1¼ to $77, and Litton Industries at $86¾ was $⅛ better.

Short-term rates steadied after plunging sharply in early trading. Falls of around 30 basis points in Treasury-bill rates and 60 basis points in bond yields since Memorial Day have strengthened the attractions of equities.

Analysts point out that the Reagan tax bill would strengthen the appeal of the stock market for private investors, who would also have their taxes reduced.

Mr Peter Caneo, of Bear Stearns, said that, "the first sign that we are not heading for a recession will send the stock market shooting ahead."

Wall Street gave a favourable reception to General Motor's $5bn purchase of Hughes Aircraft. At $72¾, GM stock gained $⅞. Ford, now clear of involvement, added $¼ to $44¾ in heavy trading.

Aerospace issues responded strongly to lower interest rates, with Boeing gaining $1½ to $66½ and General Dynamics $⅝ to $74½.

In chemicals, Monsanto jumped $⅝ to $47⅞ and Union Carbide, at $41⅝, was $⅞ better.

The reported North Sea oil cuts depressed oil stocks again, with Exxon $⅝ off at $52¼. But airlines continued to do well. Pan American remained steady at a near peak for the year of $6⅝.

Some high-technology stocks were left out of the party as Wang Laboratories slumped by $1⅛ to $15½, in heavy selling after the board predicted a loss for the final quarter.

The mainframe computers, too, were mixed, with IBM $¾ down at $129 as heavy turnover evidently included selling by institutions which have backed off since the computer leader warned on second-quarter profits.

Digital Equipment plunged by $1¾ to $102⅞. But Burroughs added $¾ to $63¾ and NCR, at $29¼, gained $¼.

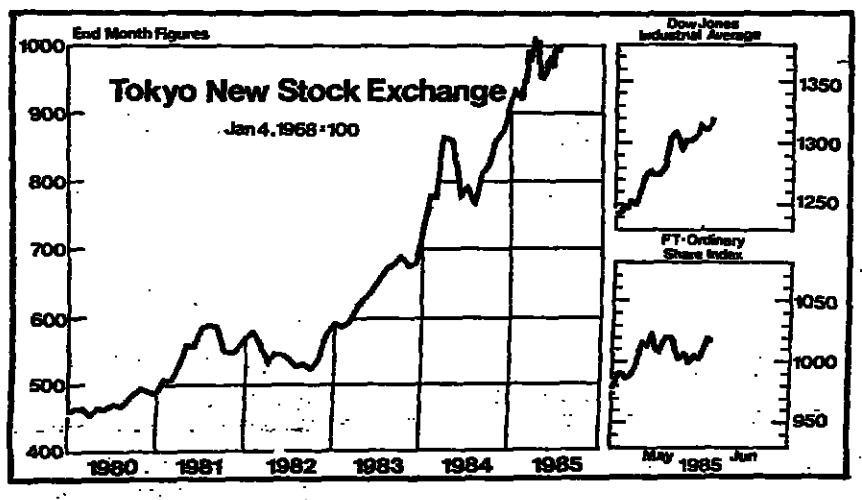
Among speculative issues, Warner Communications jumped $1¾ to $28⅞ as plans for a leveraged buyout collapsed. Diamond Shamrock fell $1⅜ to $15⅝ after bearish comments in the investment press.

Du Pont dipped $1 to $59 after a downgrading by a Merrill Lynch analyst. There was brisk turnover in RCA after hints – unsupported by the board – that a buyer might have been found for the Hertz Car Rental subsidiary.

After its commercial paper was downgraded by Standard & Poor's, the credit market rating agency, BankAmerica suffered another session of heavy selling, including a 225,000 share block at $19⅝. The stock later traded at $19½, down $⅝.

In the credit market, federal funds traded at 7¾ per cent, and the Fed helped liquidity by purchasing bills. Falls in rates increased sharply from one-year maturities outwards, with the longer end holding at opening levels.

KEY MARKET MONITORS



STOCK MARKET INDICES

	June 5	Previous	Year ago
NEW YORK			
DJ Industrials	1,320.56	1,315.30	1,124.89
DJ Transport	655.24*	651.88	479.42
DJ Utilities	163.42*	163.78	124.23
S&P Composite	190.55*	190.04	153.65
LONDON			
FT Ord	1,017.1	1,020.2	846.5
FT-SE 100	1,335.9	1,336.6	1,077.8
FT-A All-share	644.21	643.80	505.70
FT-A 500	707.87	707.39	554.56
FT Gold mines	444.3	450.2	699.3
FT-A Long gilt	10.61	10.58	10.57
TOKYO			
Nikkei-Dow	12,693.21	12,583.31	10,258.70
Tokyo SE	1 000.60	991.17	792.70
AUSTRALIA			
All Ord.	853.8	861.2	674.7
Metals & Mins.	508.8	518.0	448.3
AUSTRIA			
Credit Aktien	99.47	99.17	54.69
BELGIUM			
Belgian SE	2,389.12	2,371.17	—
CANADA			
Toronto			
Metals & Minls	1,950.9*	1,952.4	2,022.0
Composite	2,758.1	2,752.9	2,280.9
Montreal			
Portfolio	135.22*	134.43	111.07
DENMARK			
SE	closed	191.42	184.95
FRANCE			
CAC Gen	232.0	232.0	173.1
Ind. Tendance	130.3	130.0	88.9
WEST GERMANY			
FAZ-Aktien	454.54	457.73	344.12
Commerzbank	1,335.8	1,344.2	998.9
HONG KONG			
Hang Seng	1,627.82	1,643.35	932.44
ITALY			
Banca Comm.	308.53	302.77	207.27
NETHERLANDS			
ANP-CBS Gen	213.7	212.5	157.6
ANP-CBS Ind	176.4	174.6	126.5
NORWAY			
Oslo SE	342.51	343.87	271.22
SINGAPORE			
Straits Times	812.02	809.13	945.47
SOUTH AFRICA			
JSE Golds	–	n/a	1,023.9
JSE Industrials	–	n/a	961.0
SPAIN			
Madrid SE	110.51	110.69	85.38
SWEDEN			
J & P	1,345.57	1,347.00	1,455.39
SWITZERLAND			
Swiss Bank Ind	436.5	435.8	363.7
WORLD	June 4	Prev	Yearago
Capital Int'l	213.8	213.4	178.7

GOLD (per ounce)

	June 5	Prev
London	$315.00	$315.75
Zürich	$314.75	$316.25
Paris (fixing)	$314.49	$316.59
Luxembourg	$314.75	$316.25
New York (Aug)	$318.45	$319.10

* Latest available figure

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	June 5	Previous	June 5	Previous
$	–	–	1.257	1.277
DM	3.072	3.054	3.86	3.8975
Yen	249.4	249.1	313.75	318.0
FFr	9.365	9.31	11.765	11.885
SwFr	2.583	2.569	3.245	3.28
Guilder	3.459	3.455	4.35	4.39
Lira	1,961.5	1,946.5	2,466.5	2,484.0
BFr	61.85	61.45	77.8	78.35
C$	1.3705	1.367	1.7275	1.744

INTEREST RATES

	June 5	Prev
Euro-currencies (3-month offered rate)		
£	12½	12⅝
SwFr	5 1/16	5 1/16
DM	5 9/16	5⅝
FFr	10 7/16	10 7/16
FT London Interbank fixing (offered rate)		
3-month U.S.$	n/a	7 11/16
6-month U.S.$	n/a	7⅞
U.S. Fed Funds	8*	7¾
U.S. 3-month CDs	7.15*	7.50
U.S. 3-month T-bills	6.88*	6.94

U.S BONDS

Treasury	June 5* Price	June 5* Yield	Prev Price	Prev Yield
9¼ 1987	101 19/32	8.391	100 23/32	9.13
11¾ 1992	109 31/32	9.71	109 9/32	9.89
11¼ 1995	109 5/32	9.80	107 21/32	10.01
11¼ 2015	109 15/32	10.216	106 9/32	10.36
Corporate	June 5* Price	June 5* Yield	Prev Price	Prev Yield
AT & T				
10⅜ June 1990	101⅜	10.01	101⅜	10.01
3⅞ July 1990	80¾	8.65	80¾	8.65
8⅜ May 2000	85¼	10.75	85¼	10.75
Xerox				
10⅞ March 1993	100⅞	10.50	100⅞	10.50
Diamond Shamrock				
10⅞ May 1993	99⅞	10.65	99⅞	10.65
Federated Dept Stores				
10⅞ May 2013	95.495	11.15	95.495	11.15
Abbot Lab				
11.80 Feb 2013	105.061	11.20	105.061	11.20
Alcoa				
12¼ Dec 2012	104.912	11.65	104.912	11.65

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	79-29	80-11	79-13	78-22
U.S. Treasury Bills (IMM) $1m points of 100%				
June	93.09	93.19	93.06	93.03
Certificates of Deposit (IMM) $1m points of 100%				
June	92.85	92.87	92.79	92.72
LONDON				
Three-month Eurodollar $1m points of 100%				
June	92.49	92.52	92.46	92.39
20-year Notional Gilt £50,000 32nds of 100%				
June	106-15	107-02	106-14	106-30

COMMODITIES

(London)	June 5	Prev
Silver (spot fixing)	478.50p	474.60p
Copper (cash)	£1,145.00	£1,128.00
Coffee (July)	£2,042.00	£2,036.00
Oil (spot Arabian light)	$26.565	$26.65

LONDON

Rally fades as rate hopes wilt

THE two-day advance in London's blue chip industrials ran out of steam yesterday as hopes of an early reduction in clearing bank base rates faded. Growing oil price worries ahead of the Opec meetings have hit sterling and other European currencies.

An early downward drift in trading, which reflected an absence of support, saw the FT Ordinary share index down to 1,103.2 before recovering to end 3.1 lower at 1,017.1.

Overall conditions were extremely quiet with attendance in the market affected by the distractions of the Epsom Derby.

Gilts were easier ahead of today's start of dealings in £800m of Treasury 10 per cent 2004. Long-dated stocks drifted lower to close with losses of ¾ and occasionally more, while falls in the shorts extended to ¼.

Revived weakness in the leaders, prompted by bearish reports on Plessey following an investment seminar with Scrimgeour Kemp Gee on Tuesday, was largely responsible for the setback. Plessey fell 8p to 142p and GEC 6p to 182p.

On the takeover front, the only major development was news of a bid approach for Rayford Supreme, which rose 75p to 290p.

Other stocks to gain included Associated Newspapers, up 40p at 985p, Amersham International, which ended 10p higher at 380p and Tate & Lyle, also gaining 10p at 490p.

Closing losses in other leading equities were usually limited to a few pence.

Chief price changes, Page 38, Details, Page 39, Share price information, Pages 40-41

SINGAPORE

SOME late buying and short covering helped prices in a dull Singapore to end higher after two previous lower sessions.

Among stocks heavily traded, Sime Darby ended unchanged at S$2.03 after 432,000 shares changed hands. Sigma Metal added 4 cents to S$2.34 and United Overseas Land firmed 9 cents to S$2.09.

Some banks regained losses experienced in the past two sessions. OCBC put on the 15 cents it lost on Tuesday to end at S$9.35 and DBS was 10 cents higher at S$8.25.

Hotels, properties and plantations saw small gains, while industrials ended mixed where changed.

SOUTH AFRICA

SELECTIVE buying interest in the afternoon brought gold shares in Johannesburg up from their day's lows.

Grootvlei, after slipping to R15.35 earlier, finished unchanged at R15.75. Anglo American gold shed R3 to R174 and Driefontein turned 25 cents lower at R49.50.

In banks, Barclays ended unchanged at R18.80 while Nedbank lost 75 cents to R34.5.

Diamond share De Beers added 3 cents to R10.70, Rembrandt tobacco group was steady at R39.25 and Rustenburg Platinum eased 35 cents to R16.15.

EUROPE

A struggle to regain equilibrium

AN ERRATIC course was traced during trading in **Frankfurt** yesterday as the market struggled to regain an equilibrium after the recent intervention by profit-takers.

Sellers took control at the opening, but a measure of confidence in the market's underlying strength was provided by the emergence of buying at mid-session before a drift lower near the close.

As the technical reaction to the 11 days of consecutive records continued, the Commerzbank index eased 8.4 to 1,335.8, taking its loss during the past two days to 19.2.

Foreign investors again made their presence felt, although their buying orders were smaller and tended to be more narrowly directed towards stocks which failed to encounter the full force of last week's support.

Volkswagen was one such stock. Buying orders from domestic and foreign sources pushed the issue DM 7.10 higher to a peak for the day of DM 267.

This performance was the highlight of an otherwise mixed automotive section. Daimler was a casualty of early profit-taking and slipped DM 1 before a recovery forced it to close up DM 1 at DM 814. BMW eased DM 1 to DM 379, while Porsche gained a further DM 15 to 1,255 after touching DM 1,263 at midsession.

A pattern failed to develop among banks, which were at the centre of the recent surge. Deutsche Bank closed at DM 541 after a DM 3 rise, while Commerzbank shed DM 1 to DM 208 and Dresdner eased DM 1.50 to DM 232.

Among engineerings, Linde was again on the rise, firming DM 8.00 to DM 467 followed by KHD, up DM 2 to DM 258, while GHH dropped 50 pfg to DM 148.50.

Stores were again in demand. Karstadt rose another DM 2.50 to DM 224.50, Horten DM 9 to DM 183 and Kaufhof DM 6.50 to DM 231.

Profit-taking also surfaced in the bond market with prices easing an average 15 to 20 pfg as relatively large amounts were put up for sale. The Bundesbank bought DM 23.3m worth of domestic paper after selling DM 64.9m on Tuesday.

The **Amsterdam** market moved to a record, as the General index added 1.2 to 213.7. The previous record of 213.0 was set on May 6 this year.

Reflecting a broad sweep of support, indices covering banking, insurance and industrial stocks also reached new highs, Wall Street's overnight strength and optimism over easier interest rates led the market higher.

Banks and financials were keenly sought. ABN jumped Fl 6.50 to Fl 543.00, while NMB turned its unchanged opening into a gain of Fl 2 and finished at Fl 194.00.

Among market leaders, Royal Dutch firmed Fl 1.60 to Fl 197.40, Unilever Fl 1 to Fl 346.50 and Akzo Fl 1.20 to Fl 110.10.

Insurer, Amev closed at a peak of Fl 249.0, up Fl 1 after being Fl 1.50 higher at the start of business.

Dutch Government bond prices were mixed as investors switched attention to the state's new 10-year 7½ per cent issue.

Paris shares were mixed as news of the deterioration in France's current account balance of payments during the first quarter hit investor confidence.

News that the Government has provided Peugeot with a FFr 2bn subsidised loan backed a FFr 2 rise in the company's shares to FFr 366 while Michelin firmed FFr 13 to FFr 1,063.

Turnover remained high in **Zurich** as shares moved ahead, encouraged by Wall Street's overnight performance.

The banking sector, which has been neglected during the recent advance, came in for support with several issues reaching records for the year. Bank Leu added SwFr 25 to SwFr 3,825 while Crédit Suisse added SwFr 20 to SwFr 2,625.

Blue chips were generally higher, although second-line stocks came back from their recent highs.

Brussels stock advanced in brisk trading with most activity concentrated in the utility sector, although chemicals were again firm.

Solvay firmed BFr 60 to BFr 4,555, UBC BFr 30 to BFr 5,510 and Tessenderlo BFr 5 to BFr 3,145.

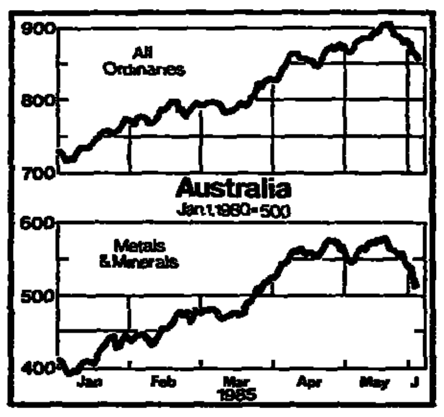
Dull trading persisted in **Stockholm** as most stocks headed slowly lower. The absence of a firm indication that interest rates may ease again deterred investors from entering the market.

By the close of trading, falls outnumbered advances by three to one after a marginal rise in turnover.

Electrolux dropped SKr 4 to SKr 267, while Volvo dropped SKr 2 to SKr 218.

Milan prices ended broadly higher as active demand prevailed throughout the session. Dealers noted international buying interest which was sufficient to boost the market's general tone and end a string of declines.

A slow decline developed in **Madrid** with banks at the centre of weak selling pressure.



AUSTRALIA

INVESTOR uncertainty in Sydney following the release on Tuesday of the federal Government's tax proposals caused prices to fall heavily for the second consecutive session.

The All-ordinaries share index fell as low as 852.5 before firming in late trading to finish 7.1 down at 854.2.

The Government's proposal to tax gold mines led to a withdrawal of foreign investors from that sector. Both Kidston and Central Norseman lost 30 cents to A$3.80 and A$7.60 respectively.

Castlemaine Toohey, the brewer, was heavily traded with 2.8m shares changing hands. Shares rose 80 cents to A$6.10 after rumours that the Bond Corporation, which owns Swan Brewery in Western Australia, had placed an order for 10 per cent of Castlemaine's stock.

BHP and Shell Australia announced that they hold 75 per cent of the share capital in Woodside Petroleum, which has secured financing for its North-west Shelf oil exploration project. BHP ended 6 cents lower at A$6.10 and Woodside was off 4 cents at A$1.56.

In banks, National Australia slipped 4 cents to A$4.34.

CANADA

DESPITE a continued weakness in energy issues, stocks in Toronto rallied in heavy trading.

Banks sustained their recent strengths with Bank of Montreal ahead C$⅜ to C$30¼ and Toronto Dominion rising C$⅝ to C$23¼.

Mining issues were active. Dome Mines moves C$¼ lower to C$10¾, Placer Development was off C$¼ at C$23⅞ and Lac Minerals eased C$⅛ to C$28.

In Montreal, industrials, utilities and banks showed gains.

TOKYO

Volume rise accompanies sharp gains

INVESTORS suddenly turned bullish in Tokyo yesterday, encouraged by Tuesday's rally and expectations of an interest rate cut in the U.S., *writes Shigeo Nishiwaki of Jiji Press.*

Share prices advanced across the board, except some biotechnologies and housing-related stocks.

The Nikkei-Dow 225-issue market indicator jumped 109.90 to 12,693.21, regaining the rest of the ground lost on Monday. Volume expanded to 708.39m shares from 458m. Gains outnumbered losses 558 to 260, with 137 issues unchanged.

A leading broker said investors bought at a hectic pace and almost indiscriminately.

Asahi Chemical, one of the companies conducting clinical tests on the tumour necrosis factor (TNF), drew massive buy orders and topped the active issue list with 24.68m shares changing hands. It gained Y50 to a high of Y1,130 in the morning but later fluctuated to close at Y1,090, up Y10.

Expectations of an easing in the Government's transportation administration led investors to buy Nippon Yusen, which finished Y14 higher at Y296 on the day's second heaviest trading of 17.19m shares. All Nippon Airways added Y14 to Y593.

Mitsubishi Heavy Industries rose Y3 to Y293 despite decreased buying. Tokyo Gas also gained Y3 to Y229 and Sumitomo Chemical, Y9 to Y263.

Buying of non-life insurances continued, with Tokio Marine and Fire gaining Y9 to Y955, Sumitomo Marine and Fire Y16 to Y725 and Yasuda Marine and Fire Y15 to Y565. Tokio Marine and Fire ranked fifth on the list with 11.84 shares.

Following news that it will set up a car parts joint venture in Japan with General Motors, NHK Spring shot up Y71 to Y485. It was the seventh busiest stock.

Asset-heavy stocks remained popular and Keisei Electric Railway closed Y17 up at Y372. Tokyu Hotel Chain spurted Y55 to Y705, while Korakuen and Tokyo tokeiba jumped Y43 to Y619 and Y21 to Y294, respectively. Among constructions, Obbayashi Corp was Y16 up at Y303.

Trading further increased on the bond market, and the yield on the 7.3 per cent government bonds due in December 1993 dropped from 6.480 per cent to an all-time low of 6.455 per cent. Various financial institutions opted for continuous buying and selling to reap fast profits.

HONG KONG

SELLING PRESSURE which began late Tuesday afternoon in Hong Kong continued throughout the day to leave prices mostly weaker.

Institutions remained on the sidelines and small investors were left to create the little activity seen in the market.

Last-minute buying from overseas took Jardine Matheson 30 cents higher to HK$12. Rumors that Jardines would announce development projects tomorrow kept sentiment bullish.

Elsewhere, Hutchison Whampoa lost 40 cents to HK$25, Hongkong Wharf shed 15 cents to HK$6.60 and China Light ended 20 cents easier at HK$15.90.

PARIS

Doors open to bourse deregulation

THE PARIS bourse, which is at the centre of efforts to increase innovation in French financial markets, is to introduce a morning trading session by the end of the year to help meet demand from investors for more sophisticated trading conditions, *writes David Marsh in Paris.*

The move, which will apply to the about 30 of the most active stocks on the market was announced yesterday by M Xavier Dupont, head of the stockbrokers' association. It is part of a range of measures designed to keep Paris in line with the tide of deregulatory changes affecting the world's stock markets. They are also aimed at keeping France's poorly-capitalised and partly protected stockbroking community from sinking under the weight of increased international competition.

M Dupont said that French stockbrokers, who have a monopoly over bourse trading which dates from 1807, need to "keep their identity" in the face of "an accelerated phase of reforms on many fronts."

He had misgivings over measures, decided in March by M Pierre Bérégovoy, the Finance Minister, to increase sizeably the discounts brokers have to pay banks on securities commissions.

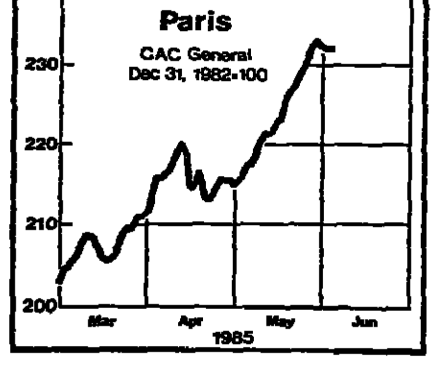
The new rules, which come into effect from July 1, raise the limit on discounts from 27.5 per cent to 40 per cent, for deals worth more than FFr 2m ($215,053) in equities and FFr 10m in bonds. Banks and brokers will be free to negotiate discounts freely.

M Dupont said the new measures could cut stockbrokers' income from negotiated securities deals carried out through banks by 20 to 25 per cent. This accounts for about 70 per cent of stockbrokers' total receipts. He said the move would hit particularly the firms which have specialised in building links with institutional investors in bond trading, where large block deals are often negotiated.

M Dupont also called for prudence in setting up new intermediary trading companies with jobbing functions. Although he said the stockbrokers' basic monopoly is not under threat, banks have made clear their interest in participating in the new companies to increase their share of securities business.

The threat to the stockbrokers' position comes at a time when the firms have been making steeply increased profits out of the higher turnover and share prices of the past three years. The Paris bourse has risen almost 30 per cent this year after rises of 18.5 per cent last year and 55 per cent in 1983.

M Dupont warned that foreign securities firms, which have been eyeing Paris with growing interest during the past two years, could use the opportunity to



set up market-making jobbing companies to "capture" part of the French market.

The new trading session would run from 10am to 11.30am, supplementing regular hours of 12.30pm to 2.30pm, M Dupont said.

Among other innovations which increase the dynamism of the French market but also increase the vulnerability of brokers to competition both from foreign firms and the French banks, is the introduction this autumn of a futures market in bonds. Short-term financial instruments are to be added to this market in 1986.

Further, in the second half of next year, experiments will start up for key stocks using the continuous Computer Assisted Trading System (CATS) of the Toronto stock exchange.

Trading in share options, also announced by M Bérégovoy, will start in the second half of 1986, M Dupont said.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	16	AAR	.48	2.4	15	331	19⅜	19½	19⅝	+⅛
18½	9⅝	AGS			12	37	14	13¾	13⅞	+⅛
21½	13¾	AMF	.50	2.7	54	436	19	18¾	18¾	−⅛
48⅛	24¼	AMR			11	5976	47⅞	46⅝	46⅝	−⅝
21⅞	18⅝	AMR pf2.18		10.		8	21¾	21⅝	21¾	+¼
23	19	ANR pf 2.12		11.		6	19¾	19¾	19¾	−¼
14¼	7¾	APL				15	8⅞	8⅞	8⅞	−⅛
65¼	44⅜	ASA		2 4	0	254	50	49⅝	49¾	−⅛
27	14⅛	AVX	.32	2.2	12	102	14⅞	14⅜	14⅜	−½
25⅜	16	AZP	2 72	11.	8	2297	u25⅞	25⅜	25¾	+⅜
56⅛	36¾	AbtLab 1.40		2.5	16	2320	u57¼	56½	56⅝	+⅝
25⅞	17⅜	AccoWd .44		2.0	17	1295	22⅜	22¼	22¼	
19½	12½	AcmeC .40		2 8		23	14½	14⅛	14⅛	−⅜
10½	7⅜	AcmeE .32b		3.9	10	15	8¼	8⅛	8¼	+⅛
17½	15	AdaEx 1.92e		11.		133	17½	17¼	17⅜	+⅛
20	11⅞	AdmMl .32		2 1	6	5	15⅜	15⅜	15⅜	+¼
19½	8⅝	AdvSys .53t		5.0	17	29	10⅝	10½	10⅝	+⅛
41⅛	25⅛	AMD			11	6091	26½	25⅛	25⅛	−1½
12¾	6⅞	Advest .12		1.4		989	8⅞	8½	8⅞	+⅜
14⅝	9	Aerflex			12	223	13⅜	12¾	12¾	−⅝
46⅝	27¼	AetnLf 2.64		5 7	34	2784	u46⅞	46⅛	46¼	
57¾	52⅜	AetL pf5.79e		10.		33	56¼	56⅛	56⅛	−⅛
36	17⅞	Ahmns 1.20		3.2	15	1234	u37⅜	36	37	+1⅛
3⅝	2½	Aileen			23	107	3	3	3	
53½	38⅝	AirPrd 1.20		2 3	12	1420	53	52⅜	53	+⅝
24⅜	13	AirbFrt .60		2.6	13	205	23⅛	22	22⅞	+⅞
2	1	AlMoa s			23	86	1¾	1⅝	1⅝	
27⅝	21	AlaP pf2.92e		11.		12	26¾	26¾	26¾	+⅛
33⅜	26¾	AlaP pfA3 92		12.		3	32	31⅞	31⅞	−⅛
8	6¼	AlaP dpf 87		11.		48	7⅞	7¾	7¾	−⅛
78¼	61½	AlaP pf 9		11.		z250	u79	77	79	+1
81½	63½	AlaP pf 9 44		12.		z1110	u82½	82	82	+1
70	56	AlaP pf 8.28		12.		z1000	u71	71	71	+1
16⅛	11	Alagsco 1.04		6 9	8	25	15	14⅝	15	+⅛
22⅞	9¼	AlskAir .14		6	10	663	u23⅝	23⅛	23½	+¾
18¾	10½	Albrto s .38		2.2	20	27	18	17⅝	17⅝	−⅛
33¼	23⅛	Albtsns .76		2.4	13	521	32	31¾	31⅞	+⅛
31¼	23¼	Alcan 1.20		4.9	12	2628	24⅜	24	24¼	−⅛
36⅛	27⅛	AlcoStd 1.20		3.4	12	365	36	34⅞	35¾	+¾
32	17	AlexAlx 1		3.4		1331	29⅜	27¾	29	+1½
26½	20⅜	Alexdr			19	41	23¼	23⅛	23⅛	+⅛
89½	72¼	AllgCp 2.06t		2.5	25	55	82⅝	82⅛	82⅛	+¼
28¾	18¾	AlgInt 1.40		5 4		259	26	25½	26	+⅜
20	15¼	AlgIn pf2 19		11.		20	u20⅜	20	20¼	+⅜
98	81¼	AlgI pfC11 25		12.		13	98	97½	97¾	−¼
33⅝	24⅝	AllgPw 2 70		8.0	10	238	u33⅞	33⅜	33¾	+¼
20⅞	15¾	AllenG .60b		3 2	14	116	18¾	18½	18¾	+⅛
46¾	28¼	AlldCp 1.80		4 3	8	1558	42	41¾	41⅞	−⅛
66	53⅞	AldCp pf6.74		10.		284	64⅝	64	64⅜	+⅜
113¼	99	AldCp pf 12		11.		587	110	109½	110	
106⅜	100¾	AldC pf 12.31e		12.		3	102½	102½	102½	−¼
23½	14	AlldPd			18	56	19⅜	19	19⅜	+¼
59½	40¾	AlldStr 2.12		3.7	8	1785	57¾	57	57¼	−⅛
12⅜	5⅛	AllisCh				282	5¾	5½	5⅝	+⅛
34⅞	24	AlisC pf				47	32½	32⅛	32½	
27⅝	20	ALLTL 1 84		6.6	9	139	u28	27¼	28	+⅝
35½	27⅛	ALLT pf2 06		5.6		5	u36⅝	36⅝	36⅝	+1⅛
39⅞	29¾	Alcoa 1.20		3.8	16	2522	32⅛	31⅝	31⅞	
22⅝	15½	Amax .20		1.2		828	16⅞	16⅜	16½	−¼
40	32½	Amax pf 3		8 8		1	34	34	34	−¼
34	22¾	AmHes 1.10		3 8	21	1657	29	28⅝	29	
2¾	1¼	AmAgr				127	1⅞	1¾	1¾	⅛
21½	15⅛	ABakr			9	70	20¾	20½	20¾	+½
70	53¼	ABrand 3 90		5.7	9	404	68⅝	67¾	68¼	+⅝
65	52	ABrd pf1 70		2.6		1	65	65	65	+2¾
28⅞	24⅝	ABrd pf2 75		9 6		9	28⅞	28½	28½	−⅛
70⅝	54¾	ABrd pf2 67		3 9		1	69	69	69	+1½
115	56½	ABdcst 1 60		1.4	17	1749	111¼	110⅞	111⅛	+¼

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Continued on Page 37

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 38

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 36

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
69⅝	49⅛	Wrigly 1.80a	2.6	12	64	69	68¾	68⅞	+ ⅛	
5¾	3⅛	Wurltzr			103	3⅝	3½	3½		
18	10½	WylεLb .32	3.0	12	176	10¾	d10⅜	10½	− ¼	
23⅜	17	Wynns .60	3.3	7	8	18	17¾	18		
X Y Z										
50⅞	33¼	Xerox 3	6.0	21	3647	50⅞	50	50⅛	− ½	
54½	45¼	Xerox pf5.45	10.		174	54	53½	54	+ ½	
30¼	24	ZeleCp 1.32	4.4	9	119	30⅛	29⅞	30		
23¼	11½	Zapata .84	7.4	22	887	11¾	d11¼	11⅜	− ¼	
56	25	Zayre s .48	.9	17	989	54¾	53⅛	54½	+ 1⅛	
30	18⅛	ZenithE		9	2282	22¼	22	22¼	− ¼	
21⅞	14⅞	Zuro s .32	1.7	16	37	16¾	18⅜	18½	− ⅛	
35¼	22	Zurein 1.32	3.9	12	148	34⅝	33¾	34⅛	− ⅝	

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

June 5	Price Sch%	+ or —
Creditanstalt	338	.....
Goesser	530	.....
Interunfall	1,510	+50
Laenderbank	321	+1
Perlmooser	595	.....
Steyr-Daimler	183	—6
Veitscher Mag	545	+18

DENMARK

June 4	Price Knr %	+ or —
Andelsbanken	297	.....
Baltic Skand	670	+5
CopHandelsbank	280	+1
D. Sukkerfab	505	+5
Danske Bank	306	+2
De Danske Luft	1,165	.....
East Asiatic	242	—3
Forenede Brygg.	925	.....
Forenede Damp.	140	+1
GNT Hldg	405	.....
I.S.S.B.	499	+19
Jyske Bank	635	.....
Novo Ind	1,595	+5
Privatbanken	275	+1
Provinsbanken	342	+1
Smidth (F)	251	+2
Sophus Berend	1,070	—5
Superfos	438	—1

BELGIUM/LUXEMBOURG

June 5	Price Frs.	+ or —
B.B.L.	1,975	+25
Banq. Int. A. Lux	6,020	.....
Bekaert B.	6,200	+100
Ciment CBR	2,710	+210
Cockerill	236	—2
Delhaize	9,100	+300
EBES	3,140	+45
Electrobel	8,700	+50
Fabrique Nat	1,975	.....
GB Inno BM	4,760	+60
GBL (Brux)	1,985	—15
Gevaert	3,840	—110
Hoboken	5,610	+10
Intercom	2,335	+35
Kredietbank	9,150	+50
Pan Hldgs.	10,950	.....
Petrofina	5,990	.....
Royale Belge	12,200	+200
Soc. Gen. Banq	3,500	+100
Soc. Gen. Belge	2,000	.....
Sofina	7,260	+10
Solvay	4,555	+55
Stanwick Intl.	1,500	.....
Tractionel	4,105	+5
UCB	5,510	+30
Wagon Lits	3,695	+45

FRANCE

June 5	Price Frs.	+ or —
Emprunt 4½% 1975	1,620	—13
Emprunt 7% 1973	8,307	—33
Accor	298	—0.8
Air Liquid	656	—6
BIC	587	+7
Bongrain	2,070	+50
Bouygues	850	.....
BSN Gervais	2,603	+8
CIT-Alcatel	1,545	+17
Carrefour	2,255	.....
Club Mediter'n	541xc	+21
Cie Bancaire	670xc	+21
Cofimeg	295	+1.6
Damart	2,200	—50
Darty	1,370	—60
Dumex S.A.	709	.....
Eaux (Cie Gen)	708	+3
Elf-Aquitane	218	—2
Essilor	2,580	—24
Gen. Occidentale	756	+9
Imetal	128.5	—0.4
Lafarge Coppee	580	+1
L'Oreal	2,695	—30
Legrand	2,395	+1
Maisons Phenix	260	+1
Matra S.A.	1,965	+25
Michelin B.	1,063	+13
Midi (Cie)	2,685	+5
Moet-Hennessy	1,998	—20
Moulinex	96.5	—0.8
Nord Est.	95	+4
Pernod Ricard	783	+16
Perrier	547	—3
Petroles Fra.	265	—4
Peugeot S.A	366	+2
Printempt Aus	295	+6
Radiotech	286.5	+1.6
Redote	1,385	+5
Rousul Uclaf	1,665	—5
Sefimeg	358	.....
SkisRossignol	1,590xc	—15
Telemech Elect.	2,600	—15
Thomson CSF	550	—7
Valeo	226	+1

GERMANY

June 5	Price Dm.	+ or —
AEG-Telef	127.2	+0.2
Allianz Vers	1280xr	—1
BASF	220.5	+0.4
Bayer	231.5	+2.5
Bayer-Hypo	348	—1
Bayer-Verein	381 xd	+5
BHF-Bank	326	+3
BMW	379	—1
Brown Boveri	218	+0.5
Commerzbank	208	—1
Cont'l. Gummi	142.5	+1
Daimler-Benz	614	+1
Degussa	343	.....
D'sche Babcock	163.5	—1.5
Deutsche Bank	541 xd	+3
Dresdner Bank	232xd	—1.5
GHH	148.5	—0.5
Hochtief	555	.....
Hoechst	224.90xd	—3.88
Hoesch Werke	108.5	+1.5
Holzmann (P)	491	+8
Horten	183	+9
Hussel	287	+3
Karstadt	224.5	+2.5
Kaufhof	231	+6.5
KHD	258	+2
Kloeckner	66.5	—1
Linde	467	+8
Lufthansa	198	+4.5
MAN	156	—4
Mannesmann	172	+1
Mercedes Hld.	717	+2
Metallgesel	263.5	+1
Munech Rueck	1,600	+20
Nixdorf	592.5	+1.5
Porsche	1255	+15
Preussag	277	+5
Rhein West Elect	167.8	+0.5
Rosenthal	258	—1.5
Schering	469	—1.5
Siemens	563.3	+0.8
Thyssen	105.7	+0.2
Varta	224	+2
Veba	198.3	+4.4
V.E.W.	134.5	+0.5
Verein-West	328	—1
Volkswagen	267	+7.1

ITALY

June 5	Price Lira	+ or —
Banco Com'le	20,050	+650
Bastogi-IRBS	225.7	+10.7
B.I-Invest	3,680	+55
Centrale	3,370	+110
Credito Varesino	4,075	+45
Fiat	3,212	+67
Finsider	70.2	.....
Generali Assicur.	4 7,390	+1,170
Italcementi	92,100	+600
La Rinascenti	810	+25
Montedison	1,700	+20
Olivetti	6,460	.....
Pirelli Co.	4,340	+80
Pirelli Spa	2,569	+58
Snia BPD	3,218	+49
Toro Assic.	16,000	+520
do Pref	11,100	+499

NETHERLANDS

June 5	Price Fls	+ or —
ACF Holding	210	+5
AEGON	194.5	+0.6
Ahold	229.5	+2.5
AKZO	110.6	+1.7
ABN	455	+8.5
AMEV	249.5	+1.5
AMRO	81	+0.2
Bredero Cert.	176	.....
Bos Kalis Westm.	19.2	+0.2
Buehrmann-Tet.	94.5	+1
Calland Hldgs.	36	+0.4
Dordtsche Pet'm	179.6	+0.9
Elsevier NDU	120.7	+1.3
Fokker	125	+1.6
Gist Broades	188.4	+2.4
Heineken	149.7	+0.3
Hoogovens	61	+0.3
Int Mueller	48	.....
KLM	62.7	+1
Naarden	49.5	+0.5
Nat Ned Celt	67	+0.7
Ned M'd Bank	193.7	+1.7
Nedlloyd	162.6	—1.4
Oce Grinten	326	—0.5
Ommeren (Van)	39.4	+0.2
Pakhoed	64	+1
Philips	56.7	+0.4
Robeco	75.1	+0.5
Rodamco	139.1	+0.6
Rolinco	69.3	+0.7
Rorento	46.1	+0.1
Royal Dutch	203	+2
Unilever	346.7	+1.2
VMF Stork	203	+2
VNU	206	+1
West Utr Bank	108	+1.5

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

NORWAY

June 5	Price Kroner	+ or —
Bergens Bank	136	—2.5
Borregaard	430	+2
Christiania Bank	136.5	—2
DenNorske Cred.	148	+1
Elkem	142	—4
Kvaerner	166.5	—3.4
Norsk Data	347.5xc	.....
Norsk Hydro	108	.....
Storebrand	274	—11.5

SPAIN

June 5	Price Pta%	+ or —
Bco Bilbao	347	+2
Bco Central	321	+2
Bco Exterior	220	+1
Bco Hispano	162	.....
Bco Popular	350	—6
Bco Santander	343	.....
Dragados	151	—4
Hidrola	83.7	—0.5
Iberduero	95	.....
Petroleos	149.5	+0.5
Telefonica	121.5	—0.7

SWEDEN

June 5	Price Kronor	+ or —
AGA	365	.....
Alfa-Laval	174	—2
A.S.EA (Free)	332	.....
Astra (Free)	425	—5
Atlas Copco	105	—1
Cardo (Free)	227	—3
Cellulosa	119	+2
Electrolux B.	267	—4
Ericsson	300	—1
Esselte	375	.....
Mo och Domsjo	161 xc	—1
Pharmacia	187	+1
Saab Scania Free	380	—20
Sandvik	360	—3
Skandia	289	+3
Skan Enski'da	47	+1
SKF	204	+1
St Kopparbergs	138	—1
Sven Handlesbn	147	+4
Swelvosh Match	200	+1
Volvo B (Free)	218	—7

SWITZERLAND

June 5	Price Frs.	+ or —
Alusuisse	795	—8
Bank Leu	3,825	+25
Brown Boveri	1,685	+5
Ciba Geigy	3,225	+15
do. (Part Certs)	2,540	+10
Credit Suisse	2,625	+20
Elektrowatt	2,780	.....
Fisher Geo.)	853	+1
Hoff-Roche PtCts	91,625	+625
Hoff-Roche 1/10	9,150	+75
Jacobs Suchard	6,060xr	+60
Jelmoli	2,275	+25
Landis & Gyr	1,730	—10
Nestle	6,300	—15
Oer-Buehrle	1,460	—10
Pirelli	333	.....
Sandoz (Br)	8,400	+150
Sandoz (PtCts)	1,400	+10
Schindler (PtCts)	830	+10
Sika	1,240	.....
Surueillance	4,625	—5
Swissair	1,200	+15
Swiss Bank	407	+1
Swiss Reinsce	11,950	—50
Swiss Volksbk	1,550	+50
Union Bank	3,920	+20
Winterthur	4,450	+50
Zurich Ins.	25,401	+451

AUSTRALIA

June 5	Price Aust $.	+ or —
ANZ Group	4.4	+0.01
Alliance Oil Dev.	1.15	+0.05
Ampol Pet	1.84	.....
Ashton	0.96	.....
Aust. Cons. Ind.	2.4	—0.05
Aust. Guarantee	2.45	.....
Aust. Nat. Inds	2.8	—0.02
APM	2.6	—0.05
Bell Group	7	—0.2
Bell Res.	7	—0.1
Bond Corp Hldgs	1.16	—0.04
Boral	3.20	.....
Bougainville	2.02	.....
Brambles Inds	3.65	.....
Bridge Oil	2.3	—0.05
B.H. Prop	6.1	—0.08
CRA	6.08	+0.04
CSR	2.7	+0.01
CastlemaineTys	6.1	+0.8
Coles (C.J.)	3.65	—0.05
Comalco "A"	2.0	—0.04
Consolidated Pet	0.40	.....
Costain Aust.	1.65	.....
Dunlop Olympic	2.2	—0.05
Elders IXL	2.85	—0.05
Energ Res.	1.51	—0.01

AUSTRALIA (continued)

June 5	Price Aust.$	+ or —
Gen. Pro. Trust	2.22	—0.08
Hardie (James)	3.15	.....
Hartogen Energy	3.06	—0.19
Herald W'y Times	4.4	—0.2
ICI Aust	1.92	—0.03
Jimberlana F.P.	0.28	—0.01
Kia Ora Gold	0.13	—0.01
Lend Lease	6.8	—0.02
MIM	2.85	.....
Mayne Nickless	3.1	—0.02
Myer Emporium	1.91	.....
Nat. Aust. Bank	4.34	—0.04
News	7.4xc	—0.3
Nicholas Kiwi	1.8	—0.15
North Bkn Hill	2.28	—0.07
Oakbridge	0.94	.....
Pancont'l	1.6	—0.02
Pioneer Conc.	1.66	—0.01
Poseidon	3.65	—0.3
Queensland Coal	1.53	—0.06
Reckitt & Coln.	3.52	+0.02
Repco	1.19	—0.02
Santos	5.62	—0.04
Smith (Howard)	4.7	—0.05
Thos. Natwide	1.94	.....
Tooth	6.84	—0.02
Vamgas	4	—0.15
Western Mining	3.7	—0.1
Westpac Bank	4.5	.....
Woodside Petrol	1.56	—0.04
Woolworths	2.8	.....
Wormald Intl.	3.66	+0.05

HONG KONG

June 5	Price H.K.$	+ or —
Bank East Asia	26.4	—0.1
Cheung Kong	17	—0.1
China Light	15.9	—0.2
Evergo	0.97	—0.03
Hang Seng Bank	51.5	—2
HK Electric	8.3	—0.15
HK Kowloon Wh.	6.6	—0.15
HK Land	5.15	—0.1
HK Shanghai Bk.	8.1	—0.05
HK Telephone	98	+1
Hutchinson Wpa	25	—0.4
Jardine Math	12	+0.3
New World Dev.	7.2	+0.1
Orient O'seas	2.15	.....
Oseas Trust Bk	3.25	+0.03
SHK Props.	12.2	—0.3
Shell Elect.	1.32	.....
Swire Pac A	23.6	+0.1
TV—B	7.3	—0.15
Wheel'k Mard A.	7.25	—0.05
Wheel'k M'time	1.10	.....
World Int. Hldns.	2.1	—0.07

JAPAN

June 5	Price Yen	+ or —
Ajisomoto	1,110	.....
Alps Electric	1,650	+40
Amada	923	+24
Asahi Chem	1,090	+10
Asahi Glass	875	—5
Bridgestone	522	+2
Canon	1,140	+30
Casio Comp.	1,620	+20
Chugai Pharm.	1,050	.....
Citizen	460	—6
Daiei	750	+30
Dai Nippon Ptg	1,110	+80
Daiwa House	661	—15
Ebara	425	+16
Eisai	1,330	—60
Fanuc	8080xc	+180
Fuji Bank	1,600	+40
Fuji Film	1,730	.....
Fujisawa	956	—8
Fujitsu	1,010	—20
Green Cross	2,490	+10
Hasegawa	446	+9
Heiwa Real Est	924	—12
Hitachi	730	+12
Hitachi Credit	1,100	+10
Honda	1,290	+10
House Food	739	+9
Hoya	1,860	.....
Itoh (C)	425	+9
Ito. Yokado	2,570	—20
Iwatsu	845	+33
JACCS	344	—7
JAL	7,100	+120
Jusco	835	+15
Kajima	330	+6
Kao Soap	837	—2
Kashiyama	707	+20
Kirin	720	—7
Kokuyo	955	+4
Komatsu	451	+1
Konishiroku	681	+5
Kubota	326	—3
Kumagai	657	+12
Kyoto	4,480	+220
Maeda Const.	605	—10
Muskino Milling	985	.....
Myakita	995	+3
Marubeni	352	+9
Marudai	633	+15
Marui	1,240	+50
MEI	1,430	+30
M'ta Elec Works	815	.....
M'bishi Bank	1,560	—20
M'bishi	650	+16
M'bishi Elect	371	—1
M'bishi Estate	788	+2

JAPAN (continued)

June 5	Price Yen	+ or —
MHI	293	+3
Mitsui	362	+4
Mitsui Estate	843	+15
Mitsukoshi	590	—18
NGK Insulators	812	—3
Nihon Cement	303	+10
Nippon Denso	1,250	+10
Nippon Elect	1,000	—30
Nippon Express	422	+4
Nippon Gakki	1,450	+50
Nippon Kokan	138	+1
Nippon Oil	843	—7
Nippon Seiko	524	+13
Nippon Shimpan	636	+21
Nippon Steel	151	+3
Nippon Suisan	358	+2
NTV	12,310	+1360
Nippon Yusen	296	+14
Nissan Motor	610	+3
Nisshin Flour	530	+15
Nisshin Steel	164	.....
Nomura	1,120	—20
Olympus	1,160	+50
Orient Leasing	2,890	.....
Pioneer	1,750	—40
Renown	708	+10
Ricoh	909	+19
Sankyo	1,400	+60
Sanyo Elect.	410	—4
Sapporo	485	+3
Sekisui Prefab	720	—6
Seven-Eleven	8,800	—100
Sharp	899	+10
Shimadzu	710	+10
Shionogi	815	—10
Shiseido	1,130	+10
Sony	3,980	—20
Stanley	816	—6
S'tomo Bank	1,850	+40
S'tomo Elect	785	+16
S'tomo Marine	725	+16
S'tomo Metal	149	+2
Taihei Dengyo	519	+19
Taisei Corp.	258	+10
Taisho Pharm	1,220	.....
Takeda	870	.....
TDK	4,450	.....
Teijin	449	+6
Teikoku	760	.....
Tokio Marine	955	+9
TBS	919	+19
Tokyo Elect Pwr	2,080	—10
Tokyo Gas	229	+3
Tokyo Sanyo	685	+33
Tokyo Style	926	+36
Tokyu Corp	433	+5
Toppan Print	870	+40
Toray	469	—7
Toshiba Elect	360	+6
TOTO	744	+1
Toyo Seikan	1,040	+20
Toyota Motor	1,200	.....
Victor	1,710	—40
Wacoal	702	—5
Yamaha	715	—7
Yamanouchi	2,910	.....
Yamazaki	810	+46
Yasuda Fire	565	+15
Yokogawa Bdge.	510	+22

SINGAPORE

June 5	Price $	+ or —
Boustead Hldgs.	1.65	—0.01
Cold Storage	2.48	.....
DBS	6.25	+0.1
Genting	6.3	+0.05
Haw Par. Bros.	2.37	+0.02
Hong Leong Fin.	2.95	—0.01
Inchcape Bhd.	2.42	.....
Keppel Shipyard	1.58	—0.01
Malay Banking	6.20	.....
Malay Utd. Ind.	2.52	—0.02
Multi Purpose	0.89	.....
OCBC	9.35	+0.15
OUB	3.28	.....
Public Bank	1.49	+0.01
Sime Darby	2.03	.....
Singapore Press	6.15	.....
Straits Trdg.	4.4	—0.02
Tat Lee Bk	2.79	+0.01
UOB	4.34	+0.02

SOUTH AFRICA

June 5	Price Rand	+ or —
Abercom	1.60	.....
AE&CI	7.75	.....
Allied Tech	60	—1
Anglo Am Coal	49.5	.....
Anglo Am Corp	28.75	.....
Anglo Am Gold	174	—3
Barclays Bank	18.8	.....
Barlow Rand	12.3	+0.1
Buffels	77.0	—2
CNA Gallo	3	.....
Currie Finance	4.3	.....
De Beers	10.7	+0.05
Driefontein	49.5	—0.25
FS Geduld	50	—2.5
Gold Fields SA	34.5	—0.75
Highveld Steel	5	.....
Nedbank	13.5	—0.1
OK Bazaars	15.00	.....
Protea Hldgs.	2.25	.....
Rembrandt	39.25	.....
Rust Plat	16.15	—0.55
Safren	16.25	.....
Sage Hldgs.	10	+0.25
SA Brews	7.85	.....
Smith (AG)	26.75	+0.25
Tongaat Hulet	7.25	+0.15
Unisec	5.35	+0.10

OVER-THE-COUNTER *Nasdaq national market, 2.30pm prices*

Continued on Page 42

LONDON

Chief price changes
(In pence unless otherwise indicated)

RISES

Amersham	380	+10
Assoc News	985	+40
Bio-Isolates	43	+10
Brook St	125	+6
Camford Eng	38	+4
Empire Stores	134	+8
Firth (GM)	49	+5
Fisons	378	+13
French Keir	176	+7
Geers Gross	87	+10
Halstead (J)	98	+7
Henderson Adm.	825	+90
Jaguar	304	+18
Maynards	335	+25
Oxford Inst	280	+18
Pavilion Leisure	38	+12
Rayford Supreme	290	+75
Smart (J)	61	+7
Tate & Lyle	490	+10
The Times Ven.	38½	+6½
Ward White	326	+18

FALLS

ACM	84	—8
GEC	182	—6
Pilkington Bros	290	—15
Plessey	142	—8
Poseidon	193	—12
RMC	394	—14
STC	164	—12
TI	282	—8

CANADA

TORONTO
Prices at 2.30pm
June 5

MONTREAL
Closing prices June 4

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 37

LONDON STOCK EXCHANGE

MARKET REPORT

Easier trend in sterling unsettles Gilts and equities

Plessey and GEC lose ground

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
May 13	May 30	May 31	June 10
June 3	June 13	June 14	June 24
June 17	June 27	June 28	July 8

* "New-time" dealings may take place from 9.30 am two business days earlier.

The London equity's market's latest assault on last January's record closing level in the FT 30-share index came to a halt yesterday.

The two-day advance in blue chip industrials ran out of steam as hopes of an early reduction in clearing bank base lending rates faded in the face of a further setback in sterling against the dollar and other leading European currencies. This reflected growing oil price worries ahead of the full OPEC meeting scheduled for June 30.

Revived weakness in the Electrical leaders prompted by bearish reports on Plessey following an investment seminar with Scrimgeour Kemp Gee on Tuesday evening was largely responsible for the setback. Plessey fell 8 to 142p and GEC 6 to 182p. Closing losses in other leading equities were usually limited to a few pence. An early downward drift in quotations, mainly reflecting the absence of support, saw the Financial Times Ordinary share index down to 1,103.2 before recovering to close 3.1 lower on balance at 1,017.1.

Overall conditions were extremely quiet, with attendance in the market affected by the distractions of the Epsom Derby.

On the takeover scene the only major development was news of a bid approach for Rayford Supreme.

Having already digested the sale of £600m of taplets earlier in the week, Tuesday's announcement of further funding—£800m of Treasury 10 per cent 2004, in which dealings begin today in £30-paid form, made for an easier trend in Government securities. Sterling's weakness was also a factor, but the reaction was largely technical after the recent strong upward movement. Long-dated stocks drifted lower to close with losses of ⅞ and occasionally more; while falls in the shorts extended to ¼.

Life issues easier

Life Insurances, which have responded strongly to the Government's proposed abolition of the State earnings-related pension scheme on the belief that it could lead to a substantial increase in personal portable pension business, took a breather. Buyers withdrew and sporadic bouts of profit-taking prompted falls ranging to 10. Prudential ended that much easier at 698p; in a surprise move yesterday, the group acquired a Huntingdon-based firm of estate agents, Ekins Dilley and Handley. Refuge gave up 7 to 390p, while falls of 5 were seen in Legal and General, 720p, London and Manchester, 777p, and Equity and Law, 273p. Lloyds Brokers, on the other hand, moved higher with the help of currency influences. Stewart Wrightson led the way with a rise of 12 at 632p, while Willis Faber put on 9 to 702p and C. E. Heath added 7 at 655p. Hogg Robinson improved 5 at 271p.

Clearing banks drifted lower for want of fresh support. Barclays lost 7 to 393p as did Midland, to 358p.

Leading Buildings, selectively firm in recent days, turned easier in the absence of further buying interest. Blue Circle slipped 5 to 532p, as did BPB Industries, to 273p. RMC encountered nervous offerings ahead of tomorrow's annual meeting and fell 14 to 384p, while Redland gave up 5 to 295p on scrappy selling. Among Contracting and Construction issues, John Laing turned dull and shed 8 to 220p, but French Kier attracted fresh support on Trafalgar House takeover hopes and rose 7 to 176p, a three-day gain of 23. Newarthill advanced 20 more to 710p in a restricted market, while J. Smart put on 7 to 61p in response to the interim dividend increase and forecast of higher profits.

ICI fluctuated narrowly in quiet trading before picking up on currency influences to close 6 dearer on the day at 774p. James Halstead moved up sharply on speculative buying and touched 105p prior to closing a net 7 up at 98p. Elsewhere, buying ahead of next Monday's annual results lifted Amersham International 10 to 380p.

Rayford bid approach

After a subdued start, business in leading Stores improved sharply during the afternoon session leaving most issues with modest gains. Debenhams hardened a few pence more to 403p as bidders Burton, 3 up at 483p, posted the formal offer document to shareholders. Gussies A improved 7 to 827p. Mail-orders again made progress under the lead of Empire, another 6 to the good at 134p awaiting news from the annual meeting. Grattan firmed a like amount to 256p. Dixons continued to draw strength from recent brokers' circulars and improved 9 more to 733p. Body Shop International, on the other hand, encountered profit-taking and fell 30 to 818p, after 806p, but Goldsmiths rose 7 to 223p following Press comment. Rayford Supreme, the USM-quoted electrical appliance retail chain, leapt 75 to 290p following a bid approach; Harris Queensway was suggested as a possible suitor.

Apart from the depression caused by Plessey's disappointing investment seminar, Electrical leaders were further affected by Simon and Coates's downgraded profits forecast for Standard Telephones and Cables, STC fell away sharply to touch a new 1985 low of 162p before closing 12 off on balance at 164p. Racal dropped 4 to 194p, after 190p, and BICC cheapened 2 to 230p, after 228p. Cable and Wireless, at 565p, lost 10 of the previous day's rise of 25 which greeted details of the telecommunications agreement with A.T. & T. Elsewhere, Ferranti fell 4 to 128p and Electrocomponents dipped 10 to 275p. United Scientific reflected fading takeover hopes with a fresh fall of 7 to 203p, but Oxford Instruments contrasted by rising 18 to 280p, as buyers began to show an interest ahead of the results scheduled for June 19.

Profit-taking in the absence of bid developments clipped 8 from TI at 282p, while Vickers closed the same amount lower at 290p. Elsewhere in Engineerings, Wire and Plastic advanced 11 to 177p on revived speculative support. Pegler-Hattersley rose 8 to 294p in response to the results and Camford firmed 4 to 38p on bid speculation. Acquisition details lifted Simon 6 to 248p, while improvements of around 5 were recorded in Delta, 160p, G. M. Firth, 49p, and Glynwed, 209p. Spear and Jackson lost 8 to 152p as bid hopes faded.

Business in the Food sector tailed off and the leaders turned irregular. Rowntree Mackintosh gave up 10 to 425p, but Tate and Lyle, still reflecting the interim results, gained that much, to 490p. Secondary issues displayed a couple of bright features. Maynards moved sharply higher in a restricted market on suggestions of a bid from Ward White and touched 345p prior to closing a net 25 higher at 335p. Ward White were also firm, at 326p, up 18. Bio-Isolates closed 10 up at 43p, after 48p, in the wake of the underwritten rights issue.

Pilkington weak

Publicity given to the group's escalating redundancing costs depressed Pilkington which fell away to close 15 down at 290p; the preliminary results are scheduled for next Wednesday. Other miscellaneous industrial leaders generally drifted lower for want of fresh support. Hanson Trust cheapened 3 to 227p after comment on the interim results. Fisons, on the other hand, jumped 13 to 378p, with demand stimulated by publicity given to a broker's favourable circular. Glaxo also resisted the trend and firmed ⅛ afresh to a new 1985 peak of £13⅛. Secondary issues had Sketchley 7 dearer at 355p following the satisfactory annual profits and accompanying optmistic statement. Brook Street Bureau reflected revived takeover speculation with a rise of 6 to 125p and Blue Arrow hardened a few pence to 193p on talk that an acquisition could accompany today's interim statement. Siebe revived at 584p, up 19, while Stag Furniture put on 4 to 74p. The Times Veneer attracted speculative support and spurted 6½ to 38½p with the new nil-paid shares closing 4½ better at 26½p.

Horizon Travel continued to attract buyers and rose 7 for a two-daily gain of 13 to 120p. Pavilion Leisure jumped 12 to 38p on "shell operation" speculation.

Motors featured fresh strength in Jaguar which responded to substantial U.S. support and advanced 16 for a two-day gain of 27 at 304p.

Publishers highlighted Associated Newspapers which spurted 40 to 985p in a limited market; Daily Mail "A" advanced ⅜ to £13⅛. Fleet Holdings also attracted support and rose 6 to 309p. Advertising agency Gears Gross, acutely depressed of late following the company's profits warning, rallied 10 to 87p.

Leading Properties were neglected, but secondary issues again displayed several firm counters. Regalian attracted fresh support ahead of the annual results expected shortly and gained 6 to 134p, while USM-quoted Tops Estates moved up 7 more to 190p in a restricted market. News that Prudential had entered the estate agency business enlivened interest in other estate agents, Connells rising 5 to 125p. Bairstow Eves, 76p, and Mann and Co, 160p, both added 2.

Common Brothers — quoted at 58p at the start of the current trading Account — were suspended at 32p at the outset pending details of a financial reconstruction.

Investment managers Henderson Administration provided an outstanding firm feature, rising 90 to 825p following the 43 per cent expansion in full-year profits. Elsewhere in Financials, Exco International, dull of late, rallied 15 to 635p, while stockjobbers Smith Brothers hardened a few pence to a new high of 130p.

Oils firmer

The Oil sector staged a minor rally after the recent shake-out prompted by worries over international oil price cuts. Quotations were marked higher at the outset and in most cases managed to hold their best levels helped by the late downturn in sterling. Shell, up 13 at 703p, were particularly firm aided by U.S. support and news of an additional oil discovery on Block 6407-9 in the North Sea. Britoil also attracted good demand to end the day 5 firmer at 230p. Elsewhere, Sun (UK) Royalty rallied 15 to 210p.

Among generally subdued Plantations, Rowe Evans Investments hardened a couple of pence to 79p in reply to the near-doubled preliminary profits. Applied Botanics, the troubled houseplants concern currently in receipt of an offer from REA, eased a fraction further to 1¾p on the disclosure that publication of the 1984 accounts will be delayed until August.

Australians lower

The Australian Government's proposals to tax earnings on gold mining from 1986 continued to weigh heavily on "down-under" mining markets which came under pressure for the tenth successive trading session. Selling in Sydney and Melbourne markets overnight continued unabated and followed through into London at the outset of trading. Golds were again highly vulnerable and showed further substantial falls but pressure on the leading diversified issues eased off towards the close of trading when the Australian dollar improved against sterling — reversing the trend of recent days. Among Golds, Gold Mines of Kalgoorlie fell 15 more to 440p while Poseidon retreated 12 to 193p and Central Norseman 10 to 393p. The more speculative issues showed Whim Creek 8 off at 136p, Australian Consolidated Minerals a like amount lower at 64p and Kitchener 5 cheaper at 78p. Sons of Gwalia and Carr Boyd eased 2 apiece to 95p and 70p respectively.

South African sectors remained weak. Bullion traded around $314 an ounce for much of the session but later rallied to close only a shade easier on balance at $315. Interest in Gold and related stocks, however, was again confined to persistent small selling and the Gold Mines index ran back 5.9 more to 444.3 — its lowest point since February 25 and a decline of almost 19 points over the past five sessions.

Falls among leading Golds were generally minimal but Doornfontein settled ⅜ lower at £13½. In the cheaper priced issues Grootvlei posted a 32 fall at 591p, Elandsrand gave up 16 to 675 and Beatrix dipped 15 to 338p.

Platinums were depressed along with Golds but UK Financials rallied well after an uncertain opening. Initially easier at 578p Rio Tinto-Zinc picked up to close a net 9 to the good at 590p.

Although reduced from the active levels seen on Tuesday, business transacted in Traded Options yesterday still produced a respectable 8,364 contracts. Hanson Trust were again active with 458 calls and 673 puts done, while Jaguar attracted 742 calls. Shell Transport were lively with 241 calls and 277 puts struck, while put operators also displayed interest in RTZ which contributed 473 trades.

FINANCIAL TIMES STOCK INDICES

	June 5	June 4	June 3	May 31	May 30	May 29	year ago
Government Secs.	81.86	82.00	81.92	81.36	81.24	81.02	79.58
Fixed Interest	86.30	86.38	86.26	86.06	86.02	85.91	83.11
Ordinary	1017.1	1020.2	1010.7	1002.5	1004.5	999.1	846.5
Gold Mines	444.3	450.2	450.7	451.0	461.4	463.0	699.3
Ord. Div. Yield	4.56	4.55	4.59	4.62	4.61	4.65	4.67
Earnings, Yld.% (full)	11.43	11.42	11.52	11.60	11.58	11.65	10.84
P/E Ratio (net) (*)	10.68	10.69	10.60	10.52	10.54	10.48	11.07
Total bargains (Est.)	22,878	19,945	23,216	24,828	22,643	22,273	21,908
Equity turnover £m.	—	359.90	308.56	410.67	338.60	388.50	285.85
Equity bargains	—	19,045	19,256	23,952	20,661	18,820	16,515
Shares traded (ml)	—	184.9	166.6	229.6	176.6	183.9	144.9

10 am 1016.7. 11 am 1016.4. Noon 1015.5. 1 pm 1013.2. 2 pm 1013.5. 3 pm 1015.3.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil = 10.34.

HIGHS AND LOWS / S.E. ACTIVITY INDICES

—	1985 High	1985 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	82.00 (18/4)	78.02 (28/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	86.38 (4/6)	82.17 (28/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1024.5 (22/1)	929.7 (5/1)	1024.5 (22/1/85)	49.4 (26/6/40)
Gold Mines	536.9 (15/4)	439.8 (26/1)	734.7 (15/2/83)	43.5 (26/10/71)

	June 4	June 3
Daily		
Gilt Edged Bargains	178.4	178.0
Equities Bargains	123.4	124.8
Value	697.0	623.9
5 day Average		
Gilt Edged Bargains	161.8	162.0
Equities Bargains	131.8	131.2
Value	722.8	725.7

NEW HIGHS AND LOWS FOR 1985

NEW HIGHS (116)

BRITISH FUNDS (3)
INT BANK & O'SEAS GOVT STLG ISSUES (1)
FOREIGN BONDS (1)
AMERICANS (3)
BANKS (2)
BREWERS (4)
BUILDINGS (11)
CHEMICALS (6)
STORES (12)
ELECTRICALS (2)
ENGINEERING (12)
INDUSTRIALS (21)
INSURANCE (1)
LEISURE (2)
MOTORS (2)
NEWSPAPERS (2)
PROPERTY (8)
TEXTILES (2)
TRUSTS (9)
OVERSEAS TRADERS (1)
PLANTATIONS (2)

NEW LOWS (49)

CHEMICALS (1)
Ellis & Everard

STORES (1)
Greenfield Blacks

ELECTRICALS (7)
Acorn Computer; Security Tag Sys; BSR Intl; STC; Ferranti; Wordplex Infor; Mellerware Intl

ENGINEERING (1)
Black & Decker

FOODS (1)
Hillsdown

INDUSTRIALS (5)
Alfa-Laval; Silentnight; Nash Inds; Staffs Potteries

LEISURE (1)
Nationwide Leisure

MOTORS (1)
Volvo

PROPERTY (1)
London Securities

SHIPPING (1)
Lyle Shipping

TRUSTS (5)
Cambrian & General; Keywest Invs; Stockholders Far E; OTL; Akroyd & Smithers

OILS (11)
Churchill Res; New Court Nat Res; Claremont Pet; New London Oil; Clyde Pet; Oliver Prospecting; Crusader Oil; Petrofina; Jackson Expln; Sceptre Res; Marinex

MINES (12)
Leslie; Great Victoria; Harmony; Kitchener Mining; Black Hill Minerals; N Broken Hill; Cultus Pacific; Southern Goldfields; Eastern Pet Aust; Ayer Hitam; Gt Eastern Mines; RTZ 9½pcLn 95/2000

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	5	69	34
Corpns. Dom. & Foreign Bonds	17	11	49
Industrials	318	211	927
Financial & Props.	160	53	336
Oils	14	34	78
Plantations	7	1	9
Mines	13	76	89
Others	134	18	75
Totals	668	413	1,597

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
May 20	June 7	Aug 29	Sept 9
June 10	June 21	Sept 12	Sept 23
June 24	July 5	Sept 26	Oct 7

For rate indications see end of Share Information Service

Stocks favoured for the call included Terrex, Coats Patons, Falcon Resources, Combined Technologies, Sun Oil Royalties, Acorn Computer, Hawley, Rowntree Mackintosh, Eglinton Oil and Gas, Ayrshire Metal and British Benzol Carbonising. No puts were reported. Double options were transacted in Riley Leisure and R. Cartwright.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price p	+or−	Net dividend	Times covered	Gross yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price £	+or−
[illegible]							

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price p	+or−
[illegible]							

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1984. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ‖‖ Allotment letters or fully-paid. ‖‖ Introduction. ☆ Unlisted Securities Market. § Placing price. T Figures assumed. †† Official London Listing. ‡‡ Dealt in under Rule 535(3).

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of change	Tues. close	Day's change
Prudential	19	708	+28
De La Rue	18	925	+47
Glaxo	18	£13	+ 0⅛
Reed Intl.	16	627	− 1
Wold	16	104	− 2
Falcon Res.	15	88	−12
Hanson Trust	15	230	− 7
Legal & Gen.	15	725	+22
Dee Corp.	13	266	+15
GRE	13	703	+ 8
BET Dfd.	12	323	− 2
Plessey	12	150	+ 6
Royal Insce.	12	660	+13
UKO Intl.	12	138	− 2

MONDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Mon. close	Day's change
Thorn EMI	19	478	+15
Wold	18	106	—
Body Shop	16	843	+98
Reed Intl.	15	628	+26
Inter-City Inv.	14	52	− 3
TI	14	278	+10
Cns. Gld. Flds.	13	563	+21
Legal & Gen.	13	703	+15
Woolworth	13	420xd	+19½
Barclays Newt	12	385	+10
Britoil	12	230	+13
ICI	12	768	− 6
Prudential	12	680	+15
Evered	11	285	+ 7

† Fully-paid.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed June 5 1985: Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	xd adj. 1985 to date	Tues June 4 Index No.	Mon June 3 Index No.	Fri May 31 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (207)	[illegible]									
2 Building Materials (23)	[illegible]									
3 Contracting, Construction (29)	[illegible]									
4 Electricals (14)	[illegible]									
5 Electronics (37)	[illegible]									
6 Mechanical Engineering (63)	[illegible]									
8 Metals and Metal Forming (7)	[illegible]									
9 Motors (17)	[illegible]									
10 Other Industrial Materials (17)	[illegible]									
21 CONSUMER GROUP (178)	[illegible]									
22 Brewers and Distillers (23)	[illegible]									
25 Food Manufacturing (20)	[illegible]									
26 Food Retailing (14)	[illegible]									
27 Health and Household Products (9)	[illegible]									
29 Leisure (23)	[illegible]									
31 Newspapers, Publishing (12)	[illegible]									
32 Packaging and Paper (14)	[illegible]									
34 Stores (41)	[illegible]									
35 Textiles (19)	[illegible]									
36 Tobaccos (3)	[illegible]									
41 OTHER GROUPS (98)	[illegible]									
42 Chemicals (17)	[illegible]									
44 Office Equipment (4)	[illegible]									
45 Shipping and Transport (12)	[illegible]									
46 Miscellaneous (53)	[illegible]									
48 Telephone Networks (2)	[illegible]									
49 INDUSTRIAL GROUP (483)	[illegible]									
51 Oils (17)	[illegible]									
59 500 SHARE INDEX (500)	[illegible]									
61 FINANCIAL GROUP (115)	[illegible]									
62 Banks (6)	[illegible]									
65 Insurance (Life) (8)	[illegible]									
66 Insurance (Composite) (7)	[illegible]									
67 Insurance (Brokers) (7)	[illegible]									
68 Merchant Banks (11)	[illegible]									
69 Property (50)	[illegible]									
70 Other Financial (24)	[illegible]									
71 Investment Trusts (106)	[illegible]									
81 Mining Finance (4)	[illegible]									
91 Overseas Traders (14)	[illegible]									
99 ALL-SHARE INDEX (737)	[illegible]									
FT-SE 100 SHARE INDEX	[illegible]									

FIXED INTEREST

PRICE INDICES	Wed June 5	Day's change %	Tues June 4	xd adj. today	xd adj. 1985 to date
British Government					
1 5 years	[illegible]				
2 5-15 years	[illegible]				
3 Over 15 years	[illegible]				
4 Irredeemables	[illegible]				
5 All stocks	[illegible]				
6 Debentures & Loans	[illegible]				
7 Preference	[illegible]				
British Government Index-Linked Stocks					
8 All stocks	[illegible]				

AVERAGE GROSS REDEMPTION YIELDS	Wed June 5	Tues June 4	Year ago (approx.)
British Government: 1 Low Coupons 5 years; 2 15 years; 3 25 years; 4 Medium Coupons 5 years; 5 15 years; 6 25 years; 7 High Coupons 5 years; 8 15 years; 9 25 years; 10 Irredeemables; 11 Debs & Loans 5 years; 12 15 years; 13 25 years; 14 Preference; 15 Inflation rate 5%; 16 Inflation rate 10%	[illegible]	[illegible]	[illegible]

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
[illegible]							

TOTAL VOLUME IN CONTRACTS: 17,855

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Jly.	Calls Oct.	Calls Jan.	Puts Jly.	Puts Oct.	Puts Jan.
B.P. (*533)	460	83	97	—	3	5	—
	500	45	65	75	5	15	20
	550	15	30	46	27	32	40
	600	3	13	23	73	75	78
Cons. Gold (*547)	460	95	107	—	2	4	—
	500	57	75	82	7	13	19
	550	30	45	52	20	35	45
[illegible]							

Option		Calls Aug.	Calls Nov.	Calls Feb.	Puts Aug.	Puts Nov.	Puts Feb.
LASMO (*286)	260	42	53	60	3	5	8
	280	30	40	46	10	15	20
	295	22	32	—	22	25	—
	300	—	—	37	—	—	28
	325	13	22	—	47	48	—
	353	7	13	—	70	70	—
Lonrho (*172)	140	40	—	—	2	—	—
	160	21	26	31	4	5½	7½
[illegible]							

June 5 Total contracts 8,364 Calls 4,404 Puts 3,960

* Underlying security price.

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

AMERICANS—Cont.

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BEERS, WINES—Cont.

1985 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
245	200	Young Brew 'A' 50p	200xd		6.3	♦	4.5	♦
165	130	Do. Non. V. 50p	150xd	+5	6.3	♦	6.0	♦

BUILDING, TIMBER, ROADS

1985 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
266	236	AMEC 50p	266		11.0	2.3	5.9	10.5
202	180	Aberdeen Const.	188	+4	7.25	♦	5.5	♦
310	190	Access Satellite 5p	254		u2.0	2.5	1.1	49.8
25½	18	Allied Plant 5p	20		–	–	–	–
22	22	Amco Ind Hldgs.	22		–	–	–	–
56	29	Arncliffe 10p	50	+2	0.1	♦	0.3	♦
110	82	Atwoods	98		3.5	1.8	5.2	17.0
280	235	BPB Inds. 50p	273	–5	†7.0	3.5	3.7	9.8
266	206	Baggeridge Brick	262	–4	6.25	3.7	3.4	11.2
32	24	Bailey (Ben) 10p	24		‡1.8	2.9	‡	4.4
40	25	Baldwin (H. J.) 10p	37		–	–	–	14.6
90	66	Barratt Dev. 10p	82		7.62	1.1	13.3	10.0
138	111	Bellway	138	+1	7.0	2.0	7.2	9.2
71	61	Benford M. 10p	66	+1	3.75	0.7	8.1	(35.0)
166	146	Berkeley Group	156		u3.6	2.6	3.3	18.7
64	50	Bett Bros. 20p	56		d3.1	1.8	7.9	8.5
580	540	Blockleys 20p	580		21.0	3.0	5.2	8.3
562	468	Blue Circle £1	532	–5	20.0	2.9	5.4	7.2
222	190	Breedon Lime	216		8.9	♦	5.9	♦
69	61	Brickhouse Dudley 10p	61		3.2	1.7	7.5	11.1
140	130	BB & EA	130		†3.0	4.8	3.3	7.6
79	55	British Dredging	78		2.5	♦	5.1	♦
22	13	Brown Jackson 20p	14		8	–	–	5.0
79	63	Brownlee	79		†3.5	3.1	6.3	7.3
77	69	Bryant Hldgs.	73		†3.0	3.0	5.9	7.9
190	35	Burnett & Hallam	40		8.75	0.8	31.2	6.0
56	51	Cakebread Rby. A 10p	55xd		3.1	♦	7.8	♦
95	50	Carr (John)	95		♦1.45	4.5	2.2	14.5

[illegible]

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

MINES—Continued

Tins

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
290	250	Ayer Hitam $M1	250	−5	♦Q140c	1.0	17.7
250	200	Geevor	212	−3	12.0	2.2	8.1
175	115	Gopeng Berhad M$0 50	115	....	g$0.16	♦	4.8
650	650	Hongkong	650#	....	—	—	—
27	11	Jantar 12½p	20	+1	2.5	♦	17.9
55	40	Malaysia Mng. 10c	40	....	vQ6c	♦	4.8
38	21	♥Pahang	21	....	B—	—	—
650	400	Pengkalen 10p	400	....	—	—	—
275	215	Petaling $M1	215	....	vQ60c	♦	8.8
275	230	Sungei Besi $M1	230	....	‡vQ75c	0.9	‡
285	200	Tanjong 15p	200	....	g3.5	—	2.5
250	140	♥Tongkah H. Tin $M1	155	....	vQ23c	1.2	4.9
305	240	Tronoh $M1	240xd	....	vQ64c	♦	8.4

Miscellaneous

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
55	37	Anglo-Dominion	43	....	—	—	—
48	35	♥Anglo Utd. Dev.	38	....	—	—	—
350	140	♥Centennial Min'ls.	145	−2	—	—	—
120	70	♥Colby Res Corp.	80	....	—	—	—
550	450	Cons. Murch. 10c	450	....	†Q100c	1.4	10.8
40	28	♥Ennex Int. Ir10p	34	....	—	—	—
215	157	Hampton Areas 10p	185	−2	3.75	2.1	2.7
260	155	♥Highwood Res.	165	....	—	—	—
£22½	£18	Homestake Mining $1	£19⅝	+⅛	Q20c	—	1.0
310	190	♥McFinley Red Lake	220	....	—	—	—
300	195	♥Masto Explorations	250	....	—	—	—
55	23	♥New Sabina Res C$1	38	−5	—	—	—
375	260	Northgate C$1	290	−2	—	—	—
685	581	RTZ	590	+9	20.0	2.7	4.8
£145½	£128	Do. 9½pcLn '95-2000	£128	−1½	Q9½%	14.0	17.6
£24¼	£10	♥Tara Exptn $1	£12½	−½	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ✚ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −	Stock	Price	+ or −
Albany Inv 20p	100	....	Arnott	375	....
Craig & Rose £1	900	....	CPI Hldgs.	50	....
Finlay Pkg. 5p	61	....	Carrol Inds.	122	....
Higsons Brew	230xd	−2	Dublin Gas	53	....
Holt (Jos) 25p	740	....	Hall (R. & H.)	55	....
IoM Stm. £1	90	....	Heiton Hldgs.	16½	....
IRISH			Irish Ropes	43	....
Fund 11¾% 1988	£96¾	+¼	Jacob (W.& R.)	80	....
Nat. 9¾% 84/89	£91¾	+¼	Unidare	84	....
Fin. 13% 97/02	£101¼	+¼			

OPTIONS — 3-month call rates

Industrials	p		p		p
Allied-Lyons	16	GKN	17	Turner Newall	20
BAT	32	Hanson Tst.	17½	Unilever	85
BOC Grp.	25	Hawker Sidd	38	Vickers	19
BSR	16	Hse of Fraser	30	**Property**	
BTR	52	ICI	60	Brit Land	12
Babcock	14	'Imps'	18	Cap Counties	18
Barclays	48	Jaguar	28	Land Secs	25
Beecham	32	Ladbroke	24	MEPC	28
Blue Circle	45	Legal & Gen	50	Peachey	22
Boots	15	Lex Service	28	Samuel Props	14
Bowaters	20	Lloyds Bank	45	**Oils**	
Brit Aerospace	33	Lucas Inds	25	Brit. Oil & Min	4
Brit. Telecom	11	Marks & Sper	11	Brit Petroleum	42
Brown (J.)	3	Midland Bk	30	Burmah Oil	28
Burton Grp	39	NEI	8	Charterhall	6
Cadburys	14	Nat West Bk	60	Premier	5
Comm Union	19	P & O Dfd	36	Shell	60
Courtaulds	12½	Plessey	17	Tricentrol	18
Debenhams	17½	Polly Peck	26	Ultramar	19
Distillers	28	Racal Elect	18	**Mines**	
Dunlop	6	RHM	11	Charter Cons	18
FNFC	8½	Rank Org Ord	32	Cons Gold	44
Gen Accident	45	Reed Intnl	58	Lonrho	14
Gen Electric	17	Sears	8	Rio T Zinc	56
Glaxo	85	TI	20		
Grand Met	25	Tesco	20		
GUS 'A'	60	Thorn EMI	35		
Guardian	60	Trust Houses	13		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 40

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—*Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.*

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1984							
1st qtr.	104.0	99.0	103	107.7	122.7	2,998	147.0
2nd qtr.	102.0	99.9	107	110.2	130.1	3,026	154.0
3rd qtr.	102.4	101.4	107	111.1	133.3	3,076	165.1
4th qtr.	103.3	101.0	105	113.6	164.0	3,103	166.5
October	102.9	100.3	107	112.0	139.9	3,100	170.5
November	103.2	101.0	104	112.7	149.6	3,102	167.6
December	103.7	101.6	104	115.6	194.9	3,106	161.3
1985							
1st qtr.	105.5	101.8		112.6	133.9	3,138	157.5
January	104.6	100.3	101	111.6	134.4	3,124	157.2
February	105.0	101.8	107	112.0	130.2	3,144	156.1
March	107.0	103.2		113.8	136.5	3,147	159.2
April				114.1	140.3	3,176	166.7
May						3,180	167.1

OUTPUT—*By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).*

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1984							
1st qtr.	100.1	93.9	110.5	96.2	113.5	95.9	16.2
2nd qtr.	101.4	95.7	105.3	97.9	106.0	97.2	18.0
3rd qtr.	101.9	98.2	104.6	100.9	109.2	97.8	16.2
4th qtr.	102.0	97.5	106.5	99.4	107.0	99.2	13.3
October	102.0	97.0	106.0	99.0	106.0	99.0	16.5
November	102.0	97.0	107.0	99.0	108.0	99.0	13.9
December	102.0	99.0	107.0	100.0	107.0	100.0	9.5
1985							
1st qtr.	103.4	97.9	110.1	99.7	108.8	99.8	13.8
January	103.0	96.0	110.0	98.0	102.0	98.0	11.7
February	103.0	99.0	109.0	100.0	109.0	99.0	13.2
March	105.0	100.0	112.0	101.0	115.0	102.0	16.6
April							17.9

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); *terms of trade (1980=100); excluding reserves.*

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1984							
1st qtr.	108.7	112.1	− 57	+623	+2,322	97.3	16.75
2nd qtr.	107.3	117.1	−1,228	−592	+1,543	96.9	15.51
3rd qtr.	108.0	119.8	−1,643	−621	+1,804	96.7	15.26
4th qtr.	117.5	126.1	−1,327	+641	+1,468	96.1	15.52
November	118.0	120.8	−177	+303	+352	95.9	15.50
December	119.2	126.2	−344	+136	+743	96.0	15.69
1985							
1st qtr.	118.7	125.6	−1,347	− 86	+1,862	95.6	14.80
January	116.6	118.6	− 86	+332	+926	96.0	15.52
February	121.7	124.6	−263	+137	+675	95.1	15.35
March	117.8	133.7	−999	−555	+260	95.6	13.53
April	119.6	126.3	−277	+123	+684	96.8	14.03
May							13.98

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending £m	Base rate %
1984							
1st qtr.	4.1	10.1	8.2	13.6	2,609	2,868	8.50
2nd qtr.	4.6	24.5	11.1	18.9	1,795	2,870	9.25
3rd qtr.	5.3	10.2	6.3	9.9	1,628	2,809	10.50
4th qtr.	9.6	24.3	13.4	16.9	2,492	2,941	9.63
November	9.9	27.3	18.6	17.1	363	967	9.63
December	12.2	27.2	12.1	22.4	1,004	971	9.63
1985							
1st qtr.	2.2	0.7	9.1	15.2	1,511	3,146	13.50
January	5.0	9.0	13.6	16.3	823	1,166	14.00
February	3.1	− 5.0	4.6	13.3	474	1,008	14.00
March	− 1.3	− 1.2	9.2	16.0	214	972	13.50
April	5.4	22.2	18.8	19.5	507	1,060	12.63
May							12.63

INFLATION—Indices of earnings (Jan 1980=100); basic *materials and fuels, wholesale prices of manufactured products* (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1984							
1st qtr.	153.6	133.6	129.0	343.9	321.7	308.67	81.7
2nd qtr.	155.9	134.3	132.0	350.9	329.1	305.06	79.8
3rd qtr.	159.6	134.1	132.8	353.9	326.8	288.95	78.0
4th qtr.	164.1	140.1	134.3	358.3	326.8	289.64	74.1
October	164.2	137.9	133.9	357.7	326.2	292.40	75.6
November	162.8	139.2	134.3	358.8	326.6	289.89	75.7
December	165.3	143.4	134.9	358.5	327.6	289.64	74.1
1985							
1st qtr.	165.4	146.2	136.6	362.9	332.8	295.22	72.0
January	163.4	145.3	135.9	359.8	330.6	296.98	71.5
February	164.6	147.6	136.6	362.7	332.5	295.73	71.3
March	168.2	145.6	137.5	366.1	335.4	295.22	73.3
April		142.0	139.0	373.9	338.8	295.08	78.0
May						279.98	78.7

* Not seasonally adjusted.

OVER-THE-COUNTER

Continued from Page 38

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

WORLD STOCK MARKETS

Indices

NEW YORK—DOW JONES

	June 5	June 4	June 3	May 31	May 30	May 29	1985 High	1985 Low	Since Compilation High	Since Compilation Low
Industrials	1,322.47*	1,315.38	1,310.93	1,315.41	1,305.78	1,302.88	1315.41 (31/5)	1184.96 (4/1)	1315.41 (31/5/85)	41.22 (2/7/32)
Transport	654.79*	651.88	647.85	645.18	628.65	628.88	631.88 (4/6)	553.83 (4/1)	645.16 (31/5/85)	12.32 (8/7/32)
Utilities	163.42*	163.78	163.28	163.32	162.28	162.19	164.75 (17/5)	146.54 (4/1)	164.75 (17/5/85)	10.5 (28/4/42)
Trading vol		115.42	125m	134.7m	108.3m	98.5m	—	—	—	—

	May 24	May 17	May 10	Year Ago (Approx)
Ind Div Yield %	4.78	4.77	4.81	5.07

STANDARD AND POORS

	June 5	June 4	June 3	May 31	May 30	May 29	1985 High	1985 Low	Since Compilation High	Since Compilation Low
Industrials	218.45*	218.85	218.85	208.85	208.81	207.95	218.85 (4/6)	182.24 (4/1)	218.85 (4/6/85)	3.62 (30/6/32)
Composite	190.44*	190.04	189.32	189.55	187.76	187.88	190.04 (4/6)	163.68 (4/1)	190.04 (4/6/85)	4.40 (1/6/32)

	May 22	May 15	May 8	Year Ago (Approx)
Ind div yield %	3.74	3.84	3.92	4.23
Ind. P/E Ratio	11.64	11.37	11.14	11.78
Long Gov Bond Yield	10.75	10.98	11.33	13.40

N.Y.S.E. ALL COMMON

June 5	June 4	June 3	May 31	1985 High	1985 Low
	110.86	109.81	109.63	110.86 (4/6)	109.43 (4/1)

RISES AND FALLS

	June 4	June 3	May 31
Issues traded	2,011	2,028	2,014
Rises	1,016	916	1,054
Falls	585	697	530
Unchanged	430	415	430

New York Active Stocks

TORONTO

MONTREAL Portfolio

* Indicates pre-close figure

	June 5	June 4	June 3	May 31	1985 High	1985 Low
AUSTRALIA						
All ord. (1/1/80)	855.8	861.3	872.8	873.6	904.3 (28/5)	716.3 (7/1)
Metals & Mnls. (1/1/80)	506.8	518.0	535.7	537.8	545.8 (28/5)	362.5 (7/1)
AUSTRIA						
Credit Aktien (2/1/62)	99.47	99.17	98.67	98.45	99.47 (5/6)	85.21 (24/1)
BELGIUM						
Brussels SE (1/1/80)	2384.12	2371.17	2378.64	2354.78	2384.12 (5/6)	2008.7 (18/1)
DENMARK						
Copenhagen SE (3/1/83)	(c)	191.42	190.98	—	193.04 (24/5)	166.44 (8/1)
FRANCE						
CAC General (31/12/82)	232.0	232.0	252.5	255.1	255.1 (31/5)	198.9 (3/1)
Ind Tendance (28/12/84)	180.5	130.0	129.9	180.4	180.4 (31/5)	100.1 (3/1)
GERMANY						
FAZ Aktien (31/12/58)	454.54	457.75	461.95	459.29	461.95 (3/6)	380.38 (3/1)
Commerzbank (1/12/53)	1556.8	1544.2	1335.0	1545.7	1558.0 (3/6)	1111.8 (3/1)
HONG KONG						
Hang Seng Bank (31/7/64)	1627.82	1645.85	1641.26	1613.8	1647.58 (17/6)	1220.74 (2/1)
ITALY						
Banca Comm Ital. (1972)	588.53	302.77	303.22	307.87	320.01 (23/5)	225.56 (3/1)
JAPAN**						
Nikkei-Dow (16/5/49)	12693.2	12683.5	12475.4	12756.4	12790.5 (30/5)	11545.2 (5/1)
Tokyo SE New (4/1/68)	1000.67	991.17	984.62	997.05	1006.96 (22/5)	915.52 (4/1)
NETHERLANDS						
ANP-CBS General (1970)	215.7	212.5	212.1	211.4	215.7 (5/6)	186.6 (8/1)
ANP-CBS Indust (1970)	176.4	174.6	174.0	172.9	176.4 (5/6)	147.3 (8/1)
NORWAY						
Oslo SE (4/1/83)	342.51	343.87	345.97	343.02	345.97 (3/6)	288.19 (3/1)
SINGAPORE						
Straits Times (1966)	812.02	809.13	(c)	812.41	852.65 (7/3)	784.28 (18/1)
SOUTH AFRICA						
JSE Gold (28/9/78)	—	(u)	1037.1	(c)	1148.9 (15/4)	888.1 (17/5)
JSE Indust (28/9/78)	—	(u)	965.0	(c)	975.8 (24/5)	787.1 (7/1)
SPAIN						
Madrid SE (28/12/84)	110.51	110.88	110.25	109.59	117.41 (4/2)	101.49 (2/1)
SWEDEN						
Jacobson & P (1/1/58)	1546.87	1547.00	1580.85	1372.08	1486.58 (11/2)	1245.57 (5/6)
SWITZERLAND						
SwissBank Cpn. (31/12/58)	436.5	436.8	433.5	432.5	436.5 (5/6)	388.7 (3/1)
WORLD						
Capital Intl. (1/1/70)	—	215.8	215.4	212.5	215.8 (4/6)	194.8 (4/1)

** Saturday June 1: Japan Nikkei-Dow 12889.5. TSE 995.97.

Base value of all indices are 100 except JSE Gold—255.7, JSE Industrial—264.3, and Australia, All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

Continued on Page 48

LAW AND SOCIETY

The 'ifs' and 'buts' of human rights

By A. H. HERMANN, Legal Correspondent

THERE IS nothing simple about right and freedoms. For this reason the European Convention on Human Rights contains numerous conditions and qualifications of the rights listed in a telegraphic style in the box.

Because the safeguarding of human rights cannot avoid the consideration of all the "ifs" and "buts" and because these differ from country to country depending on their political, economic and cultural situation, it would seem to be the wise thing to comply with Article 13 of the Convention. This requires the states adhering to it to provide effective national remedies to those whose rights and freedoms are violated by the national authorities or otherwise.

The supremacy of EEC law, concerning only the economic field and applied by Community institutions and judges, in close touch with the member governments, is based on an Act of Parliament. It seems reasonable to ask why the much wider jurisdiction of the Strasbourg Commission and judges, much more distant from the signatories of the Convention, should rest only on a treaty concluded by an executive decision of the government and without the consultation of Parliament. The adoption of a Bill of Rights and of domestic judicial safeguards for them, as required by Article 13 of the Convention, would go a long way to meet this justified criticism.

If the UK made the Convention part of its domestic law and had administrative courts specialising in dealing with the citizens' complaints against decisions of central and local government departments and a constitutional court with the power to check legislation conformed to the fundamental principles that would have two advantages. First, the disputes could be resolved by judges fully familiar with the background. Second, it would save many a journey to Strasbourg.

The fact is that the UK, with 20 cases, of which it has so far lost 12, tops the list at the Human Rights Court in Strasbourg, has had widely different reactions in Britain. Those who tend to self-denigration conclude that the British Government does not have sufficient respect for human rights; those who tend towards self-righteousness dismiss that the Strasbourg verdicts and argue that the best thing would be to renounce the Convention. Neither of these extremes seems to be justified.

There seems to be a greater consciousness of human rights rights and a readiness to seek a remedy for their violation on the part of the British public than in many other countries. Several voluntary organisations exist to help potential plaintiffs to formulate and present their grievances, including Justice, the Joint Committee for the Welfare of Immigrants, Mind and the National Council for Civil Liberties.

Moreover, a recent report of cases brought against the UK, prepared by the British Institute of Human Rights, shows that in every case where the decision of the Commission or of the Court went against it, the British Government took positive remedial action. As Mr A.B. McNulty, director of the institute, states in the introduction to the report, violations of the Convention "result mostly from inadvertence, from an unquestioning acceptance of some time-honoured law or practice, or from a *bona fide* disagreement on the interpretation of the Convention's provisions."

Nevertheless, some of the complaints against the UK were very serious. These mainly concerned treatment of prisoners, first in Cyprus and then in Northern Ireland. In one of the most serious complaints brought by the Irish Government, the court concluded in 1978 that the "techniques" used by the Royal Ulster Constabulary in interrogating prisoners amounted to inhuman treatment, though not to torture. These methods had been abandoned in 1972. There was also a number of complaints concerning restrictions on prisoners' correspondence and availability of legal assistance and representation, and in all these cases the British Government conformed with the views of the Commission and the Court.

In contrast with these prison cases, and the complaints concerning detention in mental hospitals most of the other cases are not so clear-cut and often straddle the divide between right and wrong. A good example are the cases, decided on May 28, of Abdulaziz, Cabales and Balkandali, three women who complained of immigration difficulties faced by their husbands.

In all three cases the husbands had been living with their wives in the UK for some years. Mrs Abdulaziz, who claimed to be stateless, had lived in the UK since 1977. She was given leave to remain there indefinitely in 1979 and married Mr Abdulaziz, a Portuguese national, who was visiting the UK for a limited period. Though he was refused permission to remain permanently in 1980, he had lived in the UK ever since.

Mrs Cabales, born in the Philippines, had been living in the UK since 1967 and was allowed to remain there indefinitely in 1971. In 1980 she went through a ceremony of marriage in the Philippines which, however, the UK authorities considered to be invalid. Mr Cabales, a Filipino national, was refused a visa in 1981 but was allowed to enter the UK temporarily as the fiance of a British citizen after Mrs Cabales obtained naturalisation in 1984. After a second marriage ceremony in the UK he was granted leave to remain as a husband for 12 months. He can apply for indefinite leave.

Mrs Balkandali, born in Egypt, became a citizen of the United Kingdom and Colonies in 1978 when she married a UK citizen whom she later divorced. In 1981 she married Mr Balkandali, a Turkish citizen, who was then in the UK without leave. He was refused leave to stay but remained, and in 1984, after his wife had became, as a result of new legislation, a British citizen, was granted indefinite leave to remain in the UK.

All in all, one can see that the life of these three couples was not without some worry and anxiety, but their treatment was not inhuman. Except for three years in the case of Mrs Cabales, the families were, and are not, separated.

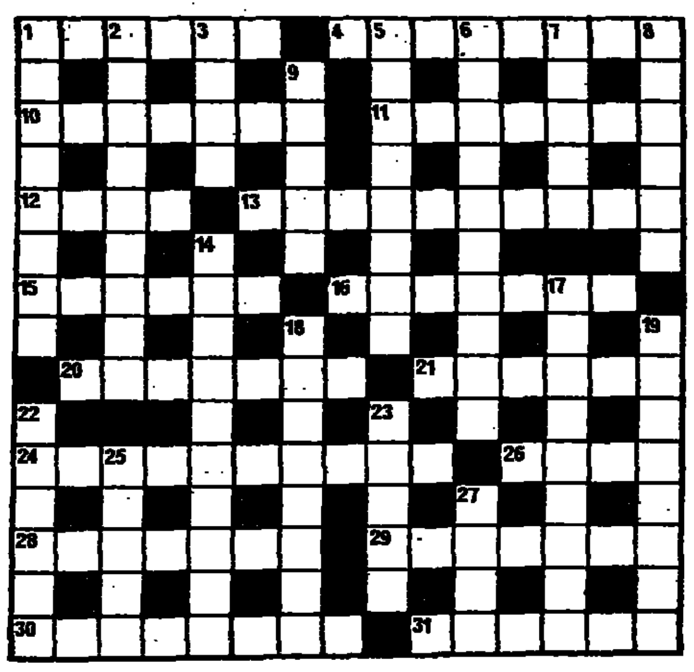
From the beginning of 1983 the immigration rules have been changed, making husbands married to UK citizens eligible for entry into the UK. The ramaining sex discrimination condemned by the court relates to the ability of husbands to bring their wives even if the husbands are not British citizens, provided they live lawfully in the UK.

The Court accepted that the aim of the rules to protect the domestic labour market was legitimate, but held that the advancement of the equality of the sexes was a major goal which could be disregarded only for very weighty reasons. The difference between the impact of men and women on the labour market was not sufficiently important, said the Court, to justify the difference in treatment. That is a matter of opinion, or perhaps of statistics. It is certainly not something which makes the issue entirely black or entirely white.

HUMAN RIGHTS ACCORDING TO THE 1953 EUROPEAN CONVENTION

Article 1: Signatories undertook to secure within their jurisdiction the following rights and freedoms:
Article 2: Right to life;
Article 3: No torture or inhuman or degrading treatment or punishment;
Article 4: No slavery, forced or compulsory labour;
Article 5: Right to liberty and security of person;
Article 6: Right to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law whenever the determination of civil rights or criminal charges are at issue;
Article 7: No crime without law;
Article 8: Respect for private and family life, home and correspondence;
Article 9: Freedom of thought, conscience and religion;
Article 10: Freedom of expression, of receiving and imparting information;
Article 11: Freedom of peaceful assembly and of association;
Article 12: Right to marry if of marriageable age;
Article 13: There should be effective national remedies available to those whose rights and freedoms are violated;
Article 14: These rights and freedoms shall be secured without discrimination on any ground;
Article 15: In time of war or other public emergency the signatories may derogate from their obligations, but not more than strictly necessary;
Article 16: The signatories may impose restrictions on the political activity of aliens.

F.T. CROSSWORD PUZZLE No. 5,736



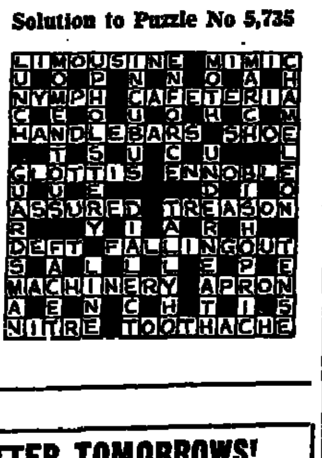
ACROSS

1 Neutral gear (6)
4 Plain-chant? (8)
10 see 29 across
11 To carouse is to err, perhaps (7)
12 Putting a penny on butter is a swindle (4)
13 Is hesitant when perplexed? Quite the contrary (10)
15 It simply makes you sick (6)
16 It's a fixed sort of charge (7)
20 They indicate the hour, but stop the hands (7)
21 Nothing clear may come from this prophet (6)
24 Release of emotion in boat race built up (10)
26 Honest expression of agreement (4)
28 Copy ear-clip design (7)
29 and 10 across: Famous Victorian maker of children's cakes (7, 7)
30 Each person in it has some very onerous duties (8)
31 Old German destroyer still active today? (6)

DOWN

1 Put over a German and Irish submarine (8)
2 Clergyman has a duty (9)
3 One may get one's hooks into them (4)
5 Musical instrument untouched (8)
6 Close acquaintances (10)
7 Has to make professions of loyalty (5)
8 Decorate without a central point and it becomes gaudy (6)
9 Employing American in Gateshead (5)
14 It looks like the military is involved (10)
17 Within a ring finally (9)
18 Hold back and break the fall (8)
19 Crossword addicts should be used to such a set-back (8)
22 Some islands are of Eastern origin (6)
23 Grass bed (5)
25 Regret holding gym lessons for money (5)
27 A stage joke turned fatuous with the passage of time (4)

Solution to Puzzle No 5,735



APPOINTMENTS

Top post at Esso

ESSO UK has appointed **Mr Dermot McDermott** as executive director, with responsibility for finance and natural gas, from July 1. Mr McDermott is also to be appointed to the boards of Esso Petroleum Company, and Eso Exploration and Production UK. He succeeds Mr Peter Townsend who returns to New York as deputy manager of Exxon Corporation's public affairs department. Mr McDermott joined Eso in London in 1961 and worked in the treasurer's department following which he undertook an assignment with Exxon Corporation in New York. He returned to hold various senior appointments in London and in 1980 was appointed a managing director of Esso Nederland based in The Hague. He is currently manager, natural gas, for Esso UK.

★

Mr John Baker has been reappointed as a member of the CENTRAL ELECTRICITY GENERATING BOARD and **Mr Richard V. Giordano** as a non-executive member. Mr Baker is to serve another five years from September 5. He is responsible for commercial and public affairs within the CEGB. He was the Board's leading witness at the Sizewell "B" Inquiry and now is chairman of the Sizewell "B" Project Management Board. Mr Giordano is to serve another three years from July 1. He is chairman and chief executive of the BOC Group.

★

Mr D. C. Hobson has been appointed a director of THE LAIRD GROUP.

★

Mr Richard Connell has been appointed chief executive of GRIPPERRODS HOLDINGS, a subsidiary of The British Land Company.

★

At CENTURYAN SECURITY **Mr Nigel Worth**, has been appointed from chief accountant to financial director; **Mr Frank Horner** has joined the board in his existing role as sales director; and **Mr David Patrick** has been promoted to personnel director from personnel and training manager.

★

Mr John Callcutt has been appointed a director of CREST NICHOLSON. He is managing director of Crest Homes, a wholly-owned subsidiary of Crest Nicholson.

★

The INSTITUT7E OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES has elected **Mr Brian Jenkins** (senior partner in Coopers & Lybrand) as president; **Mr Derek Boothman** (partner in Binder Hamlyn) as deputy-president; and **Mr Arthur Green** (chairman and managing director. Grant Thornton International).
appointed a director of The Laird
CORRECTION

★

Mr Ronald Marler, recently appointed non-executive chairman of Kode International, remains chairman of ELECTROCOMPONENTS.

★

LILLYWHITES has appointed **Mr David Martyn** as trading director. He has been brought into Lillywhites, a member of the Trusthouse Forte Group of Companies, to look after the company's external / internal expansion and development projects. Mr Martyn has extensive retail experience after several years with Debenhams and as director of a wholesale fashion company.

★

Mr Tony Clarke has been appointed managing director of WAGNER SPRAYTECH (UK), Banbury.

★

COUNTY BANK has appointed **Mr David J. Gamble**, a senior director of the bank, to be responsible for County Bank's New York office. He will continue to be a non-executive director of County Bank Investment Management, and a member of the bank's executive committee

★

Mr Norman Helmes has been appointed director, West Midlands, to run the new Birmingham office for EUROFI (UK). He was chief executive of the West Midlands Enterprise Board. **Mr John Lapthorne** has been appointed associate director. He was director of finance and company secretary at Lucas Electronics and Systems.

★

ELLIOT S. ASSOCIATES, Windsor, has appointed **Mr G. H. M. Goddard** to the board.

★

Mr John S. Spray has been promoted to vice-president of THE FIRST NATIONAL BANK OF MARYLAND. **Mr Graham Martin** has joined the bank's London branch as vice-president and chief dealer.

★

BUSINESS INTELLIGENCE SERVICES has appointed **Mr Chris Banks** to the board as financial director, while continuing as company secretary. He was financial controller and associate director. **Ms Juliet Williams**, managing director of Christian Brann, a wholly-owned subsidiary of the BIS Group, has been appointed an associate director.

★

BUTCHER, ROBINSON & STAPLES, Lloyd's brokers, has appointed **Mr Derek Howard Palmer** as deputy chairman of the banker's insurance division. **Mr Stewart Mark Brown** will succeed him as divisional managing director.

★

ARMITAGE & NORTON has appointed six new partners: **Mr Duncan Hinchliffe** (tax) Leeds; **Mr Timothy Eglinton** (tax) London; **Mr Andrew Haigh** (computer audit) Huddersfield; **Mr Simon Batey**, Manchester; **Mr Martin Hothersall**, Preston; and **Mr Martin Bradley**, Bradford.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

CONTINUED OVERLEAF

AUTHORISED UNIT TRUSTS & INSURANCES

Pearl Trust Managers Ltd. (a)(g)(z)
252, High Holborn, WC1V 7EB 01-405 8441

Pearl Growth Fd	64.9	69.0	+0.2	3.30
Accum Units	95.9	102.0	-0.3	3.30
Pearl Inc.	89.2	94.9	+0.4	4.87
Pearl Unit Tst.	93.7	99.7xd	+0.3	4.01
(Accum Units)	158.5	168.6	+0.5	4.01

Perpetual Unit Trust Mngmt. (a)
48, Hart Street, Henley on Thames. 0491 576868

Growth	184.8	198.3	+2.1	1.47
Income	138.8	148.7	+0.4	5.49
Worldwide Recovery	105.9	113.7	+0.8	2.08
American Growth	58.6	62.9	+1.4	0.67
Intl. Emerging Cos	59.9	64.3	+1.1	0.79
Far East Growth Fd.	47.4	50.9	+0.7	1.00

Prolific Unit Trusts
222, Bishopsgate, EC2. 01-247 7544/7

Prolific Far East	106.0	113.6	+2.0	0.42
Prolific Extra Inc.	63.3	67.3		5.89
Prolific Gilt Cap	79.3	82.5xd	-0.3	3.33
Prolific High Inc	132.0	140.4xd	+0.4	5.16
Prolific Intl.	86.4	92.6	+1.0	1.56
Prolific N. Amer.	118.3	126.8	+1.6	1.51
Prolific Spec. Sits	148.1	158.0xd	+0.6	1.30
Prolific Technology	112.0	120.0xd	+1.2	0.90

Providence Capital Fd. Mgrs. Ltd.
30 Uxbridge Road, London, W12 8PG. 01-749 9111

Japan Trust	49.8	52.8	+1.0	0.19
Worldwide	49.0	51.9	+0.4	1.57
European Trust	47.9	50.7	+0.2	0.92
North American	53.2	56.3	+1.1	1.08
UK Equity	49.6	52.5		3.03

Prudential Unit Trust Mngrs Ltd. (a) (b) (c)
51-69, Ilford Hill, Ilford, Essex, IG1 2DL 01-478 3377

Holborn Equity Tst.	329.0	350.0	+0.8	3.27
Holborn Gilt Tst.	148.5	155.5	-0.1	9.00
Holborn High Inc	54.0	57.4		7.93
Holborn Intl	57.0	60.6	+0.8	0.55
Holborn UK Growth	64.1	68.1	-0.1	2.37

Quilter Management Co. Ltd.
31-45 Gresham Street, EC2. 01-600 4177

TSB Unit Trusts (b) (c) (y)
PO Box 3, Keens Hse, Andover Hants, SP10 1PG
0264 62188 Dealings to 0264 63432-3

TSB American	99.4	105.8	+2.4	1.17
Do Accum	102.3	108.9	+2.4	1.17
TSB Extra Income	87.4	93.0	+0.1	6.03
Do Accum	97.2	103.5	+0.1	6.03
TSB General	122.2	130.0	+0.5	3.24
Do Accum	194.9	207.3	+0.6	3.24
TSB Gilt & Fxd Int	46.6	48.6	-0.1	9.80
Do Accum	56.3	58.7	-0.1	9.80
TSB Income	163.0	173.5xd	+0.8	4.88
Do Accum	245.7	261.4	+1.1	4.88
TSB Pacific	107.8	114.7	+1.4	1.08
Do Accum	109.6	116.6	+1.4	1.08
TSB International	232.5	247.4xd	+3.2	1.87
Do Accum	283.0	301.1	+3.9	1.87
Natural Resources	46.9	49.9		2.58
Do Accum	47.3	50.4		2.58
TSB Slctd. Opps.	48.4	51.5	+0.2	2.39
Do Accum	52.0	55.4	+0.2	2.39

3i & Target Fund Mgrs Ltd
Target House, Gatehouse Road, Aylesbury, Bucks
Aylesbury (0296) 5941

Small Co's Fund	70.0	74.9xd	+0.7	0.10

Target Trust Mngrs. Ltd. (a)(g)
Target Hse. Gatehse Rd, Aylesbury Bks (0296) 5941

American Eagle	69.8	74.7xd	+0.7	0.19
Australia	27.0	28.8	-0.3	0.10
Commodity	97.9	105.3	-1.0	1.59
Energy	45.5	48.7	-0.7	0.68
Equity	103.7	110.6		3.64
European Spec. Sits.	50.6	54.1	+0.3	0.92
Extra Income	93.5	100.0	+1.0	7.06
Financial	204.4	218.0xd	+1.3	2.93
Gilt Capital	213.4	223.5	-0.1	3.25
Gilt Income	101.8	106.6xd	-0.1	9.12
Gold Income	63.8	68.2xd	-0.7	4.20
Gold Acc.	115.2	123.2	-1.3	4.20
Income	60.0	64.5xd		5.80
Japan	45.4	48.6	+1.2	0.10
Malaysia & Singapore	27.5	29.3		0.91
Pacific Income	70.5	75.4	+1.0	1.02
Pacific Re Inv	85.4	91.3	+1.2	1.02
Preference Share	15.6	16.8		10.29
Professional	496.5	529.6	+0.5	1.95
Special Sits	88.3	94.6	-0.1	1.83
Technology	42.4	45.4	+0.3	0.1

Manufacturers Life Insurance Co (UK)
St George's Way, Stevenage. 0438 356101

Managed	285.5	300.5		—
Property	230.5	242.6		—
Equity	309.1	325.4		—
Gilt Edged	294.0	309.5		—
Deposit	170.8	179.8		—
Investment	129.3	135.7		—
International	240.4	253.0		—
Pension Fund Prices				
Managed Init.	206.8		+1.4	—
Do. Accum.	234.3		+1.8	—
Property Init.	192.6		-0.1	—
Do. Accum.	218.2			—
Equity Init.	237.4		+3.5	—
Do. Accum.	268.7		+4.1	—
Gilt-Edged Init.	189.9		+3.7	—
Do. Accum.	215.2		+4.3	—
Guaranteed Init.	112.4		+0.2	—
Do. Accum.		150.1	+0.3	—
International Init.		289.7	-7.6	—
Do. Accum.		328.1	-8.6	—
Index Lk. Gilt Init.		118.9	-0.2	—
Do. Accum.		134.7	-0.2	—

Property Equity & Life Ass. Co.
Baxter Ave, Southend SS2 6QH. 0702 333433

R. Silk Prop. Bond	272.8	—
Int. Man. Cncy. Bd. Fd.	109.1	—
Flexible Prop. Bd. Fd.	131.4	—
Flexible Money Bd. Fd.	263.7	—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund	293.5		—
Property Fund (A)	283.7		—
Agricultural Fund	1,046.2		—
Agric. Fund (A)	1,010.9		—
Abbey Nat. Fund	242.8		—
Abbey Nat. Fd. (A)	241.2		—
Investment Fund	[illegible]	+0.2	—
Investment Fund (A)	158.7	+0.2	—
Equity Fund	366.5	+2.8	—
Equity Fund (A)	354.0	+2.8	—
Money Fund	240.0		—
Money Fund (A)	238.4		—
Actuarial Fund	287.1		—

INSURANCES

Scottish Equitable Life Assce. Soc.
31, St Andrew Sq, Edinburgh — 031 556 9101

Mixed	218.4	229.9	+0.8	
Equity	245.2	258.2	+0.8	—
Property	119.7	126.0		—
Fixed Interest	128.8	135.6	+0.1	—
International	228.5	240.6	+3.4	—
Index Linked	108.9	114.7	+0.2	—
Cash	120.04	126.36	+0.04	—
Edinburgh Inc	115.2	121.3	+0.5	—
Edinburgh American	114.4	120.5	+1.2	—
Baillie Gifford Japan	102.8	108.3	+0.7	—

Scottish Life Investments
19 St Andrew Square, Edinburgh — 031-225 2211

Property	104.6	110.2		—
UK Equity	126.7	133.9	+0.3	—
American	134.6	141.7	+2.8	—
Pacific	101.7	107.2	+1.9	—
European	118.7	125.0	+0.5	—
International	117.0	123.3	+1.7	—
Fixed Interest	101.8	107.3		—
Index Linked	101.0	106.4	..	—
Deposit	102.5	108.0	....	—
Managed	112.6	118.6	+0.7	—
Pens. Property	108.3	114.1		—
Pens. UK Equity	134.5	141.5	+0.3	—
Pens. American	143.0	150.6	+3.4	—
Pens. Pacific	103.7	109.3	+1.9	—
Pens. European	124.0	130.7	+0.7	—
Pens International	122.8	129.3	+1.9	—
Pens. Fixed Int	104.5	110.1	....	—
Pens. Index Linked	103.6	109.1		—
Pens. Deposit	107.8	113.6	+0.1	—
Pens. Managed	117.1	123.4	+0.8	—

Scottish Mutual Assurance Society
109 St Vincent St, Glasgow. — 041-248 6321

Flex End April 20	619.4	638.6	....	—
Pen Mngd April 20	421.8	434.8	....	—

Scottish Mutual Investments
109 St Vincent St., Glasgow. — 041-248 6321

Safety Fund	96.1	101.2	+0.5	—
Growth Fund	96.6	101.7	+0.4	—

Sun Life Unit Assurance Ltd.
St James Barton, Bristol BS99 7SL — 0272 426911

Managed Acc.	322.1	339.1	+1.2	—
Property Acc	196.7	207.1		—
Equity Acc	453.9	477.8	+2.9	—
Fixed Interest Acc.	181.5	191.1	−0.7	
Index Linked Acc.	104.4	109.9		
Cash Acc.	165.7	174.5	+0.1	—
American Equity Acc.	182.6	192.3	+0.2	—
U.S. Bond Acc	113.2	119.2	+2.6	—
Japan Acc.	111.8	117.7	+1.1	—
Pacific Acc	108.2	113.8	+0.2	—
Far Eastern Acc.	240.3	253.0	+3.1	—
International Acc.	228.0	240.1	+1.3	—
U.S. Dollar Acc	104.2	109.7	+1.2	—
Yen Acc.	97.4	102.6	+0.8	—
European Currency Acc.	95.8	100.9	+0.6	—
Distribution	144.3	151.7	+0.7	9.97

Sun Life Pensions Management Ltd
(Funds for individual pension contracts)

Pens. Managed Acc.	317.9	334.7	+1.6	—
Pens. Property Acc.	159.7	168.2	+0.2	—
Pens. Equity Acc.	410.4	432.1	+2.9	—
Pens. F. Interest Acc.	172.8	181.9	−0.8	—
Pens. Ind. Lnkd. Acc.	105.8	111.4	+0.1	—
Pens. Cash Acc.	167.2	176.0	+0.1	—
Pens. Amer. Equity Acc.	152.8	160.9	+1.5	—
Pens. U.S. Bond Acc	138.2	181.3	+3.1	—
Pens. Japan Acc.	114.0	120.1	+3.2	—
Pens. Pacific Acc.	127.9	134.7		—
Pens. Far Eastern Acc.	356.9	375.7	+5.1	—
Pens. Internat. Acc.	291.7	307.1	+3.6	—
Pens. U.S. Dollar Acc	110.2	116.0	+1.8	—
Pens. Yen Acc.	101.2	106.6	+1.9	—
Pens. Euro. Curr. Acc.	95.5	100.6	+0.8	—

Swiss Life Pensions Ltd
99-101 London Rd, Sevenoaks. — 0732-450161

Equity	£174.43	179.88	..	—
Fixed Int.	£127.03	127.66	..	—
Index Linked	£109.09	109.63		—
Property	£145.40	149.88		—

INSURANCE, OVERSEAS & MONEY FUNDS

Arbuthnot Securities (C.I.) Ltd. (a)(c)(h)
P.O. Box 428, St. Helier, Jersey. — 0534 76077

Dollar Income Tst (z)	1.072	1.129	+0.005	10.69
Gov't Sec. Tst	72.8	76.3xd	−0.1	13.11
Yen Bond*	Y199	209xd	−1	5.74
Sterling F.I.t*	179.9	180.9		—
Japan Growth*	215.6	231.8	−0.4	0.43

Next dealing *June 6. §June 12.

Aries Fund Managers Ltd.
PO Box 443, St Helier, Jersey. — 0534 75141

Dollar Fund	$10.40	10.43	....	—
Sterling Fxd Interest	£9.73	9.76	....	9.66

B.I.A. Bond Investments AG
10, Baarerstrasse CH6301, Zug, Switzerland

Barer Std May 20	SF10,925	11,500	..	—

Julius Baer Bank & Trust Co Ltd
Butterfield House, Grand Cayman

Liquibaer J. Baer $Fd.	$1,315	1,316		—

Bamford Brandt Guernsey Mngt. Ltd.
PO Box 71, St Peter Port, Guernsey — 0481 26541

Tech and Comm.	£7.69	8.16		—
Int. Growth	$15.01	15.86		—
Pac. Basin Fund	$26.29	27.91		—

Bank of America International S.A.
35 Boulevard Royal, Luxembourg GD

Wldinvest Inc.	$122.61	123.28	.	8.95

Valued weekly on Wednesdays.

Bank of Scotland
4 Don Rd, St. Helier, Jersey. — 0534 38855

Man Mnt Chq Acc Jersey	12.05	...	—

Barclays Isle of Man Prime Account
PO Box 9, Douglas, IoM — 0624 29351

High int. chq	12.25		—

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. — 0534 73741

EBC Trust Company (Jersey) Ltd.
1-3 Seale St, St Helier, Jersey. — 0534-36331.

International Income Fund

US$ Dep Short A	$1.4768	+0.0003	9.66
Do. Dist	$1.0218	+0.0002	9.66
Mod.Cur.St/Term B	$1.1407	−0.0054	8.00
Do. Dist	$0.8705	−0.0041	8.00
Extended Long Term	$22.10		10.80

European Banking Traded Currency Fund*

Income	$9.55	9.857	−0.031	8.26
Capital	$10.54	10.876	−0.052	8.26

Sterling Prices Indication Only

Income	7.54	7.79	+0.09	8.26
Capital	8.33	8.59	+0.089	8.26

*Offer price includes 5% prelim. charge.

The English Association
16 Athol St, Douglas, Isle of Man — 0624 20738

E.A. Far East	$10.7	10.90		—

Next dealing June 10

Ermitage Management Ltd.
19 Royal Square, St Helier, Jersey, CI. — 0534 76007

External Fund	$19.73	18.92	....	—
Bond & Cash Fd	£9.91	9.91		6.26
Cash Fund	£20.20	—		—

Ermitage Management Cayman Ltd.
PO Box 2192, Grand Cayman, B.W.I.

Gam Ermitage	$14.54	—	+0.18	—
Cayman Cash Fd	$10.28	—	..	—

S.G. Europe Obligations S.A.
9, Avenue de la Liberte, Luxembourg
London Agent: FFS, Salisbury House, London Wall EC2M 5TA. Tel. 01-920 0776 Telex 887281

Europe-Obligations	$44.22		1.22

Western Trust & Savings Limited
The Moneycentre, Plymouth PL 1SE — 0752 24341

High Int Chq Acc	12.69	9.48	

J. Henry Schroder Wagg & Co Ltd
Enterprise House, Portsmouth — 0705 827733

Special Acc	12.13	9.09	13.70	Mth
Over £10,000	12.35	9.23	14.05	Mth

NOTES—Gross rate to those exempt from composite rate of tax. Net: actual rate after deduction of CRT. Gr Equiv CAR: Gross equivalent to basic rate taxpayers—compounded annual rate. Int Cr: frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex subdivision. ‡‡ Only available to charitable bodies. ● Yield column shows annualised rates of NAV increase.

COMMODITIES AND AGRICULTURE

Wheat sale to Algeria ignites European fury

BY IVO DAWNAY IN BRUSSELS AND NANCY DUNNE IN WASHINGTON

AMERICA'S PROPOSED 1m-tonne subsidised wheat sale to Algeria, the first deal under Washington's $2bn agricultural export initiative, provoked widely differing reactions on both sides of the Atlantic yesterday.

July wheat prices on the Chicago Board of Trade edged 3 cents higher to $3.21 a bushel early yesterday in the wake of Tuesday's announcement by Mr John Block, the U.S. Agriculture Secretary, while European cereals interests expressed their fury and the European Commission in Brussels closeted itself away to study the plan.

The hastily-arranged deal, which was forced on the Reagan administration by U.S. farm state senators following the European Community's failure to set a date for a new round of multilateral trade talks, is widely regarded as the first shot in an agricultural trade war.

Likely to be the first of many such subsidised sales to counter the fall in U.S. farm exports, it is bound to be the principal topic in discussions Mr Block will have with EEC officials during his European tour, which started yesterday.

The first reaction among U.S. traders yesterday was one of relief.

"The market had worried itself sick that huge quantities of grain would be dumped from Government stocks," said one analyst. Although operational details of the so-called export bonus programme are still not available, the careful targeting of the first sale to Algeria has provided some reassurance to U.S. traders, he said.

Mr Block estimates that the plan, which will be finalised after a competitive tender with grain traders, will bring additional sales worth $117m.

U.S. farm groups, meanwhile, could hardly contain their enthusiasm. Mr Dick Fritz, director of market analysis at U.S. Wheat Associates, pronounced himself "very happy" but said he was keen that the deal should be concluded swiftly.

In Brussels, as the 14-member Commission met to consider the U.S. plan, initial reactions were low-key. EEC legal officials are expected to examine the wheat sale for possible breaches of pricing rules, but do not consider they will be able to invoke the Gatt (General Agreement on Tariffs and Trade) articles on shares of the world market.

In the meantime, the Community is waiting to assess the final shape of the wheat sales, which is still unclear.

French cereal interests, however, were furious. M Jean Moulias, director of the French cereals intervention board, said the U.S. move constituted a practice "totally contrary" to Gatt rules.

U.S. sugar price cut urged

Latin American cane producers should lobby for a reduction in the U.S. sugar support price, a representative of U.S. industrial sugar consumers told delegates to a meeting here of Geplacea.

Rather than drastically reduce production or fight for an overhaul of U.S. import quota systems, a better strategy for suffering Latin sugar growers would be to join forces with U.S. industrialists and trade officials who say U.S. sugar prices are indefensibly high, Mr Linwood, Tipton chairman of the U.S. Sugar Users Group, advised a Geplacea conference.

The U.S. support price is now 22 per cent per pound as opposed to the 3 cents a pound of sugar fetches internationally. Lowering the support price inevitably would knock the least efficient U.S. cane producers and beet producers out of the market, clearing the way for an increase in imports from Latin America, Mr Tipton said.

U.S. stocks of distillate fuel oil up 4m barrels

By Our Commodities Staff

U.S. STOCKS of distillate fuel oil jumped by more than 4m barrels last week to 104.6m barrels, more than 4.7m barrels above the level at this time last year, according to the American Petroleum Institute (API).

Stocks of crude oil declined by 1.8m barrels to 355.6m barrels. Crude stocks now stand more than 5.2m barrels behind the same week in 1984.

Residual fuel oil stocks moved up marginally during the week to 43.1m barrels, almost 5m below last year at this time. Petrol stocks rose to 215m barrels but continued to lag far behind last year's levels, when the API reported 252.4m barrels.

Crude oil imports last week were about 3.6m barrels which when added to the 2.6m barrels of product imports ran well ahead of the 5.6m barrels combined total recorded in the corresponding week of 1984.

Nicaragua tries incentives to boost coffee

By Tim Coone in Managua

PRIVATE coffee farmers in Nicaragua are to receive foreign exchange incentives for the coming harvest, Sr Jaime Wheelock, the Minister of Agriculture, has announced that the country's estimated 16,000 coffee growers are to be included in a dollar incentive scheme for the 1985-86 harvest, although precise details of the scheme have still to be released.

Incentives of up to $11 per head of cattle were introduced last year for cattle producers, to stem the flow of cattle smuggling across the border in search of better prices and to increase the number of cattle sold to the government-owned export slaughter houses.

Last month, the country's approximately 600 private cotton farmers were told that they were also to receive dollar incentives

William Dullforce on efforts to stabilise world markets

U.S. attitude crucial to commodity pacts

THE CRITICS of international commodity agreements (ICAs) have had their doubts fuelled this week from an unexpected source— the UN Conference on Trade and Development (UNCTAD) under whose tutelage most of the existing agreements have been begotten.

In a remarkably candid study of 10 agreements covering seven commodities the Unctad secretariat finds that they have had mixed success in stabilising prices in the short term and have done little or nothing to meet the longer term objectives of improving the export earnings and the competitive capacity of developing countries.

The study was prepared for a special session of Unctad's commodities committee which with the participation of top executives from most of the commodity organisations has been meeting in Geneva this week to assess the role of the ICAs.

Price stability

These agreements or arrangements are negotiated by governments, or by organisations representing the governments, of both producing and consuming countries. They are intended to impart some degree of stability to the prices and earnings potential of commodities.

Since the early 1930s more than 40 ICAs have been negotiated, 25 of them covering three commodities—tin, wheat, and sugar. Their objectives were formalised in 1976 in Unctad's Integrated Programme for Commodities (IPC).

So far they have been limited essentially to trying to keep prices with in given ranges over the short term. The instruments used have been mainly buffer stocks and export quotas.

The longer term aims of the IPC, such as checking the tendency for producers to over-invest when prices are high and overcoming the problems that arise when technical innovations or changes in customer preferences prompt falls in demand, have scarcely been approached.

Of the seven commodities examined the Unctad study finds that in four—tin, wheat, rubber and coffee—the agreements have been "relatively successful."

The cocoa and sugar agreements have collapsed, while olive oil is a special case, since the agreement includes no specific mechanism for stabilising prices apart from encouraging consumption and reducing production costs.

The tin agreements, generally regarded as being among the most effective, have succeeded "more in defending the floor price than in defending the ceiling price," the study finds.

The success of the wheat agreements is a matter of history now, dating from the 1950s. Since then the export subsidies of the European Community and the unpredictable import requirements of the Soviet Union have dominated the market and the current pact has no provision for pricing.

The Rubber Agreement's success in defending the floor price is attributed to the large size of its buffer stock, to its binding financing rules and to the fact that the U.S. is an active meber. At a meeting in Geneva last month, however, producers and consumers failed to agree a new price range.

The participation of the U.S. and the role played by a major producer, Brazil, are singled out as factors in the coffee agreement's success in stabilising prices.

Mr Alister McIntyre, acting secretary general of the UN Conference on Trade and Development

Firm commitments by the governments of all the principal producers and consumers are crucial to the success of an agreement, the Unctad study underlines. The absence of the U.S., the biggest consumer, and the Ivory Coast, the main producer, has crippled the cocoa agreement, while the sugar agreements have been undermined by the absence of the U.S. and the EEC.

The study stresses the importance of setting realistic targets for the price range at the start of an agreement, the cocoa and coffee agreements have failed in this respect.

The failure of producers to co-ordinate policy has often been at the heart of the difficulties, the study points out. A greater use of advisers from the industry itself, particularly in mining, is also seen as vital when negotiating agreements.

A crucial problem, however, is the attitude of the U.S., whose scepticism towards ICAs was voiced again this week in the commodities committee when Ms Joan Plaisted, the U.S. representative, complained that the Unctad study did not address the proposition that long-term government intervention "carries with it the risk of complicating or exacerbating problems rather than resolving them."

Common fund

An unresolved issue critical for the future of Unctad and of the ICAs concerns the Common Fund for Commodities originally negotiated in 1980. The fund would have a capital of $470m, most of which would go to bolster buffer stock operations, and it would have government-guaranteed borrowing capacity.

A further amount, $255m, in voluntary contributions has been pledged to finance the longer term development initiatives of the ICAs, such as those embodied in the more recently negotiated jute and tropical timber agreements.

So far 87 countries contributing roughly half the capital have ratified the agreement establishing the fund. For it to become operational 90 ratifications representing two-thirds of the capital are required. This means in effect that either U.S. or Soviet Union ratification is needed. Moscow is uninterested and the U.S. has shown no signs of ratifying.

Unctad at present is in a chicken and egg situation. Some governments, most notably the U.S., have doubts about the organisation and its capacity to promote effective ICAs: the Unctad secretariat believes that, to be effective, the ICAs need firmer commitments from governments.

Although the U.S. attack on Unctad last year now appears to have diminished in intensity, the secretariat is very much aware of the basic intransigence in the attitude of the Reagan administration to Unctad.

It would need something close to a miracle to change the situation. If the appointment of a new secretary general this autumn coincided with the ratification of the common fund, there might just be a chance to improve the performance of, and arouse more enthusiasm for, the commodity agreements. The odds are against that ing prices apart from encourag coincidence occurring.

Record zinc consumption predicted

BY ANDREW GOWERS

ZINC PRODUCERS were urged yesterday to devote more funds to research, development and promotion of new products to cope with anticipated rising production of the metal at the end of this decade.

The advice came in a report* on the prospects for zinc produced by the London-based consultancy Metals and Minerals Research Services.

The study says the immediate prospects for zinc consumption are better than at any time during the past 15 years. With economic activity set to continue rising — albeit at a slower pace — for the next 12 to 18 months, MMRS believes consumption will continue to recover, and will probably surpass its previous 1973 record of 4.83m tonnes before the end of 1986.

As little new mine development is proceeding at present, that could mean there will be a temporary zinc shortage in the next year or so. In any case, MMRS is confident that prices will firm later this year, following a likely dip in the summer months.

Its optimism is in marked contrast to the views of another analyst, Shearson Lehman Brothers, which said last month that consumption, measured on a 12-month moving average, had been falling for about nine months, and that last year's market deficit may be eliminated altogether in 1985.

* The post-recession prospects for zinc; £6,000 from Metals and Minerals Research Services, 222-225 Strand, London WC2.

Potato board calls halt to inspections

THE UK Potato Marketing Board has decided to terminate its contract to inspect potatoes delivered on the London potato futures market from May 1986.

The move is believed to have come in response to persistent complaints from the trade about the Board's adjudications.

The Board originally wanted to stop inspecting potatoes this year, but was persuaded to stay on by the London Potato Futures Association.

LONDON MARKETS

BASE METALS

LME prices supplied by Amalgamated Metal Trading

ALUMINIUM

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	848.5-9	+5.25	—
3 months	866-.5	+7.5	872/860

Official closing (am): Cash 844-845 (828-829), three months 863-863½ (850-851). settlement 845 (829). Final kerb close 872-873. Turnover: 26,500 tonnes.

COPPER

Higher grade	Unofficial close	+ or —	High/Low
Cash	1144.5-5.5	+17	1140/1140
Three m'nths	1159-.5	+20.75	1160/1160

Official closing (am): Cash 1,139½-1,144 (1,123½-1,124½), three months 1,153-1,153½ (1,134-1,135), settlement 1,140 (1,124½). Final kerb close: 1,159-1,160.

Cathodes			
Cash	1143-5	+23	—
Three m'nths	1148-50	+23.7	1139/1139

Official closing (am): Cash 1,132-1,134 (1,116-1,117), three months 1,139-1,140 (1,108-1,109), settlement 1,134 (1,117). Turnover: 27,325 tonnes. U.S. Producer prices 67/70 cents per lb.

LEAD

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	300.5-1.5	+3	298.5/298
3 months	304-.5	+2.5	305/305.5

Official closing (am): Cash 298-298½ (298½-299), three months 302½-303 (302-302½), settlement 298½ (299). Final kerb close: 302-302½. Turnover: 4,425 tonnes. U.S. spot: 19-21 cents per lb.

NICKEL

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	£4430-5	+60	4455/4530
3 months	£4380-5	+45	4380/4350

Official closing (am): Cash 4,400-4,405 (4,345-4,345½), three months 4,375-4,380 (4,320-4,325), settlement 4,405 (4,350). Final kerb close: 4,375-4,380. Turnover: 1,956 tonnes.

TIN

High grade	Unofficial close (p.m.) £ per tonne	+ or —	High/low for day
Cash	£9590-9600	+72.5	—
3 months	£9553.4	+75	9555/9551

Official closing (am): Cash 9,585-9,595 (9,500-9,501), three months 9,540-9,545 (9,455-9,460). settlement 9,595 (9,510).

Standard			
Cash	9590-9600	+72.5	9590/9590
3 months	9550.1	+73	9560/9500

Official closing (am): Cash 9,585-9,590 (9,495-9,500), three months 9,538-9,539 (9,450-9,455), settlement 9,590 (9,500). Final kerb close: 9,535-9,540. Turnover: 2,105 tonnes. Straits tin $m29.26 kilo.

ZINC

	Official close (p.m.) £ per tonne	+ or —	High/low
Cash	605-.5	+7.75	—
3 months	616-.5	+8	618/614

Official closing (am): Cash 604-606 (593-595), three months 615-616 (605½-606), settlement 606 (595). Final kerb close: 613-614. Turnover: 11,050 tonnes. U.S. Prime Western: 45.50-47.50 cents per lb.

MAIN PRICE CHANGES

In tonnes unless otherwise stated

METALS	June 5 1985	+ or —	Month ago
Aluminium	£1100		£1100
Free Mkt	$1085/115		$1165/185
Copper			
Cash h Grade	£1145	+17	£1387
3 mths	£1159.25	+20.75	£1247.75
Gold troy oz	$315	−0.75	$315.5
Lead Cash	£301	+3	£311.5
3 mths	£304.25	+2.5	£309.25
Nickel			
Free Mkt	250/280c		245/275c
Palladium oz	$100.00	+0.2	$111.00
Platinum oz	$264.35	−3.75	$268.00
Quicksilver†	$290 300		$285/295
Silver troy oz	478.50p	−3.80	516.80p
3 mths	492.80p	−4.10	532.65p
Tin cash	£9595	+72.5	£9512.5
3 mths	£9560.5	+73	£9581
Tungsten	$75.39	−3.54	$74.36
Wolfram 22 04lb	$61/65		$68/71
Zinc	£605.25	+7.75	£709
3 mths	£616.25	+8	£708.75
Producers	$930		$980

OILS	June 5 1985	+ or —	Month ago
Coconut (Phil)	‡		$710
Palm Malayan	‡		$680
SEEDS			
Copra Phil	$570y	−5	$460
Soyabean (U.S.)	$229.8w	−2.5	$241
GRAINS			
Barley Fut. Sep	£98.25	+0.50	£98.75
Maize	£147.50		£150.50
Wheat Fut. Sept	£98.40	+0.25	£122.50
No. 2 Hard Wint.	‡		‡
OTHERS			
Cocoa Ft. Sept.	£1758.5	+25	£1669.5
Coffee Ft. Sept.	£2093.5	+14	£2206
Cotton A Index	65.55c	−0.05	65.70c
Gas Oil July	$213.5	−1.25	$214.25
Rubber (kilo)	64p		66p
Sugar (raw)	$84.5v	−3.5	$88
Wooltops 64s	480pkilo		475pkilo

‡ Unquoted. x May-June. v June-July. w Sept. y July. † Per 76-lb flask. c Cents per pound.

GOLD

Gold fell $¾ to $314¼-$315¼ on the London bullion market. It also opened at $314¼-$315¼ and traded quietly throughout. The metal was fixed at $314.75 in the morning and $314.20 in the afternoon. It touched a low of $313½-$314 and a peak of $315-$315½, without any new influences to move trading outside this narrow range.

GOLD BULLION (fine ounce) June 5

Close	$314¾-315¼	(£250-250½)
Opening	$314¾-315¼	(£247¾-248¼)
M'n'g fix.	$314.75	(£247.134)
Aft'n'n fix.	$314.20	(£248.242)

GOLD AND PLATINUM COINS

Kr'g'r'nd	$324½-325¼	(£258-258¾)
½ Krug.	$167-167½	(£132¾-133¼)
¼ Krug.	$85-85½	(£67½-68)
1/10 Krug.	$34¾-35¼	(£27¾-28)
Mapleleaf	$324½-325¼	(£258-258¾)
New Sov.	$74½-75¼	(£59¼-59¾)
½New Sov	$45-45¾	(£35¾-36½)
Old Sov.	$75¾-77¼	(£60¼-61½)
$20 Eagle	$450-490	(£358-389½)
Noble Plat	$275½-278½	(£217-219¾)

SILVER

Silver was fixed 3.8p an ounce higher for spot delivery on the London bullion market at 478.5p. U.S. cent equivalents of the fixing levels were: spot 606c, down 4.8c; three-month 617c, down 5.1c; six-month 628.55c, down 5.65c; and 12-month 654.2c, down 6.8c. The metal opened at 478½-479½p (606-609c) and closed at 484½-487½p (610-613c).

SILVER per troy	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	478.50p	−3.80	483.5p	+5
3 months	492.80p	−4.10	498.25p	+5
6 months	506.40p	−4.00	—	—
12 months	533.65p	−4.05	—	—

LME—Turnover: 74 (25) lots of 10,000 oz.

Three months high 498.5, low 492, final kerb 498.9.

FREIGHT FUTURES

The market reached new lows in the morning, with October falling to 900.0. Support was found at this level and good two-way trading developed which continued in the afternoon. Final quotations were slightly steadier, reports Clarkson Wolff. The Baltic Freight Index was 931.0, up 1.5.

	Close	High/Low	Prev.
July	882-886	884/876	879/880
Oct.	902.5/903.5	905/900	905/906
Jan.	901/903	904/900	902/905
April	975/977	978/975	985/980
July	900/913	—	900/970
Oct	970/990	—	965/975
Jan.	960/1020	—	960/1050
April	1050/1120	—	1050/1130

Turnover: 221 (163).

GRAINS

July wheat had a relatively dull day rising initially on follow-through from the previous day's rally but gradually slipping back. New crops saw light profit-taking to close at the day's highs, reports Muirpace.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterdys close	+ or —
July	116.60	−0.20	—	—
Sept.	98.40	−0.25	98.25	+0.50
Nov	101.85	−0.30	101.95	+0.50
Jan	105.55	−0.25	106.45	+0.50
Mar	108.80	−0.20	108.60	+0.40
May	112.30	−0.20	111.40	+0.55

Business done—Wheat: July 117.00-6.40, Sept 98.40-8.20, Nov 101.85-1.65, Jan 105.45 only, Mar 108.75 only, May 112.25 only. Sales: 197 lots of 100 tonnes. Barley: Sept 98.25-8.00, Nov 101.90-1.80, Jan untraded, Mar 108.40 only, May untraded. Sales: 31 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. dark northern spring no 1 15 per cent July 142.75, Aug 140.25, Sept 139, Oct 142.60 sellers transhipment east coast. U.S. no 2 soft red winter July 122.75, Aug 128.25, Sept 128.75, Oct 129 sellers. EC harvest 119 quoted. English feed fob June 120.00, July/Aug 97.50, Aug/Sept 99.00, Sept 99.50, Oct/Dec 104, Dec 105.50, Jan/Mar 109 sellers. Maize: U.S. no 3 yellow/French transhipment east coast June 147.50 sellers. Barley: English feed fob June 115, July/Aug 98, Aug 98, Oct 102, Oct/Dec 104.50, Jan/Mar 110.50 sellers east coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: E. Mids 113.60, N. East 113.10. The UK monetary coefficient for the week beginning Monday June 10 will remain unchanged.

RUBBER

PHYSICALS—The London market opened unchanged, steadied on lower sterling and closed uncertain, reports Lewis and Peat. Closing prices (buyers): spot 64.00p (same): July 67.00p (same): August 67.25p (same). The Kuala Lumpur fob price for RSS No 1 was —— (198.0) cents a kg and

COFFEE

With sterling weaker futures failed to follow through on the downside, reports Drexel Burnham Lambert. Commission house buying in the afternoon produced a rally to £2100 on September but dealer hedge selling in good volume pressured values towards the close.

COFFEE	Yesterd'ys Close	+ or —	Business Done
July	2041-45	+6.0	2054-26
Sept.	2092-95	+14.0	2105-74
Nov.	2130-33	+8.0	2147-15
Jan	2156-68	+1.0	2180-58
March	2158-65	+4.0	2156-51
May	2135-60	+1.5	2145
July	2090-60	—	—

Sales: 2,592 (2,572) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for June 4: Comp daily 1979 131.08 (131.74): 15-day average 131.79 (131.85).

INDICES

FINANCIAL TIMES

June 4	June 3	M'th ago	Year ago
281.19	279.96	297.76	307.26

(Base: July 1 1952 = 100)

REUTERS

June 5	June 4	M'th ago	Year ago
1776.4	1776.6	1881.5	1953.5

(Base: September 18 1931 = 100)

MOODY'S

May 14	May 13	M'th ago	Year ago
921.9	923.9	—	—

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	June 4	June 3	Month ago	Year ago
Spot	117.49	117.54	—	141.07
Fut.	119.49	120.26	—	140.60

(Base: December 31 1974 = 100)

COCOA

COCOA—(FFr per 100 kg): July 2001/2040, Sept 2035/2038, Dec 2005/2015, March 2025/2045, July 2030/2060, Sept 2030/2060.

Futures advanced £25 during a day dominated by currency movements and closed at the highs. Little physical interest was noted and only light cocoa products trading was apparent, reports Gill and Duffus.

COCOA	Yesterday's Close £ per tonne	+ or —	Business Done
July	1765-1766	+20.5	1769-1747
Sept.	1758-1759	+25.0	1760-1734
Dec.	1746-1747	+25.0	1747-1721
Mar.	1762-1763	+24.0	1765-1738
May	1773-1775	+24.5	1775-1750
July	1783-1785	+26.0	1785-1760
Sept.	1790-1794	+25.0	—

Sales: 3,226 (2,975) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for June 5: 95.27 (95.40): five-day average for June 6: 95.58 (95.75).

SUGAR

LONDON DAILY PRICE—Raw sugar $84.50 (£66.50), down $3.50 (down £2.00) a tonne for June-July delivery. White sugar $134.50, down $3.50.

After initial weakness due to a higher dollar and news of Mexican raw sugar sales the market recovered its losses.

No. 6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
Aug	91.8-92.0	93.2-93.6	92.8-89.8
Oct	94.8-95.0	95.2-95.6	[illegible]
Dec	101.0-101.2	99.8-100.0	101.2-98.2
Mar	115.0-115.2	115.0-115.2	115.2-112.6
May	118.2-119.6	117.6-118.0	[illegible]
Aug	126.4-126.8	124.8-124.8	126.4-124.8
Oct	131.2-131.8	128.8-130.0	130.4-130.0

Sales: 2,744 (3,215) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £169.50 (£172.50) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports.) Prices for June 4: Daily price 2.73 (2.79): 15-day average 2.80 (2.81).

SOYABEAN MEAL

The market opened 50p higher on weaker sterling, reports T. G. Roddick. Prices remained steady on trade buying.

	Yesterday's close £ per tonne	+ or —	Business Done
June	110.0-111.5	+0.40	110.5
August	110.0-110.5	−0.85	109.0
October	114.1-114.5	+1.85	113.9-113.0
Dec	119.5-119.6	+0.85	120.0-119.6
Feb	125.0-125.8	+0.90	—
Apr	126.8-127.0	+1.00	—
June	126.5-127.0	+0.75	126.5

Sales: 534 (388) lots of 20 tonnes.

OIL

Arab Gulf crudes traded sharply lower, mainly for July cargoes. Brent fell sharply overnight but recovered in thin trading. Nymex opened 12c down for July and trade 17c down at 1 pm EST. Of the petroleum products gas/oil traded actively in a weaker market. The bearish API statistics, reports of incoming Russian supply and bearish crude reports persuaded sellers to lower offers. These levels attracted buyers, especially majors—Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)—June		
Arab Light	26.50-26.55	−0.125
Arab Heavy	25.00-25.10	−0.10
Dubai	25.15-25.20	−0.175
Brent Blend	25.80-25.85	+0.05
W.T.I. (1pm est)	27.35-27.40*	−0.10
Forcados (Nigeria)	26.40-26.50	−0.10
Urals (cif NWE)	25.80-26.00	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	286-288	—
Gas Oil	214-215	−1
Heavy fuel oil	127-130	−0.5

* July

Petroleum Argus estimates

GAS OIL FUTURES

Month	Yest'day's Close $ U.S. per tonne	+ or —	Business Done
June	215.00	−0.75	215.75-15.00
July	213.50	−1.25	214.25-13.50
Aug	216.25	—	216.75-15.55
Sep	217.00	−1.25	217.75-17.00
Oct	218.50	−2.00	218.50
Nov	221.50	−1.00	—

Turnover: 664 (1,112) lots of 100 tonnes.

POTATOES

Recent warmth and rain has led to ideal growing conditions for the new crop. Consequently all positions came under selling pressure to close at contract lows, reports Coley and Harper.

Month	Yesterday's close £ per tonne	Previous close	Business Done
Nov	62.40	64.30	65.70-62.50
Feb	72.50	75.60	72.00
Apr	83.60	84.90	84.50-82.60
May	88.80	91.30	90.50-88.80

Sales: 421 (49) lots of 40 tonnes.

PIGMEAT

Month	Yesterdays close p. per kilo (deadweight)	Previous close	Business done
June	108.90	108.00	108.50-108.00
Aug	100.50	100.80	101.00-100.40
Oct	105.50	106.00	106.00-105.30
Nov	106.90	106.10	106.80-105.80
Feb	98.70	98.80	—
April	98.40	99.00	—

MEAT

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 77.0 to 81.0; English hindquarters 93.0 to 98.0, forequarters 50.0 to 55.0. Veal: Dutch hinds and ends 138.0 to 144.0. Lamb: English small 86.0 to 94.0, medium 84.0 to 88.0, heavy 82.0 to 86.0; imported: New Zealand PL 65.0 to 66.5, PX 65.5 to 66.5. Pork: English under 100lb 49.0 to 58.5, 100-120lb 50.0 to 55.0, 120-160lb 42.0 to 46.0.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 97.65p per kg lw (−1.96). GB—Sheep 193.7p per kg est dcw (−7.84). GB—Pigs 78.28p per kg lw (−1.36). GB—AAPP 101.81p per kg dw (−0.15).

Short-covering lifted prices slightly on the expiring June contract but other positions closed down from the highs, reports CCST Commodities.

Sales: 63 (28) lots of 50 carcases, 3,250 kg.

U.S. MARKETS

HEATING OIL declined sharply under the einfluence of a bearish API stock report and a cut of $1.25 in the price of crude oil by BNOC, reports Heinold Commodities. Reports of an Opec strategy meeting advanced from late July to late June did little to strengthen traders' confidence in the present price structure. Grains and soyabeans finished higher on adverse weather in the southern part of the U.S. and a delayed wheat harvest in the Southern Plains. Precious metals traded in a featureless fashion reflecting the concentration of speculative interest in financial i nstruments. Copper weakened on reports that labour tension in Zambia was subsiding. Aluminium weakened on the burdensome stock situation. Sugar moved modestly lower on continued good availability of raw sugar. Cocoa remained steady, lacking fresh features. Coffee firmed as fresh speculative selling failed to materialise. Cotton lost ground as trade selling pressured values on reports that recent heavy rains in the Texas Plains will benefit the crop

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
June	46.85	—	—	47.25
July	47.15	47.25	47.10	47.55
August	47.45	—	—	47.85
Sept	47.80	47.90	47.75	48.20
Dec	48.85	49.00	48.80	49.25
Jan	49.20	—	—	49.60
March	49.85	—	—	50.25
May	50.55	—	—	50.95
July	51.25	—	—	51.65
Sept	51.95	—	—	52.35

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
July	2057	2074	2054	2059
Sept	2034	2040	2027	2030
Dec	2016	2020	2010	2016
March	2028	2035	2020	2025
May	2036	2040	2035	2038
July	2040	—	—	2043

COFFEE "C" 37,500 lb, cents/lb

	Close	High	Low	Prev
July	145.16	45.44	42.70	42.97
Sept	145.74	45.85	43.85	43.94
Dec	145.40	45.50	43.95	44.04
March	144.75	44.75	43.40	43.23
May	143.75	43.75	43.75	42.28
July	142.75	—	—	41.78

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
June	60.25	60.30	60.30	60.75
July	60.50	61.15	60.35	61.10
August	60.95	—	—	61.55
Sept	61.40	62.10	61.30	62.00
Dec	62.40	62.90	62.30	63.00
Jan	62.65	—	—	63.25
March	63.20	63.75	63.40	63.80
May	63.65	—	—	64.25
July	64.10	64.65	64.20	64.70
Sept	64.55	64.80	64.80	65.15

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
July	62.94	63.42	62.45	63.49
Oct	61.56	61.96	61.31	61.90
Dec	62.12	62.49	61.90	62.55
March	63.30	63.72	63.20	63.75
May	63.80	64.25	63.80	64.25
July	64.02	64.35	63.75	64.35

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
July	27.16	27.44	27.05	27.47
August	26.45	26.80	26.35	26.84
Sept	26.16	26.45	26.08	26.48
Oct	25.96	26.27	25.90	26.32
Nov	25.73	26.05	25.73	26.12
Dec	25.50	25.82	25.45	25.92
Jan	25.58	25.58	25.56	25.73

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
June	315.2	315.7	314.0	316.8
July	316.8	316.5	316.5	317.2
August	318.4	318.9	316.8	319.1
Oct	321.9	322.0	321.0	322.8
Dec	325.7	326.2	324.0	326.8
Feb	329.7	329.5	328.0	331.0
April	333.8	333.0	333.2	335.3
June	338.3	337.0	337.0	340.0
August	342.8	—	—	344.8
Oct	347.4	—	—	349.6
Dec	352.3	353.1	352.3	354.8
Feb	357.6	357.8	357.8	360.4
April	361.0	362.0	362.0	366.2

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
July	68.80	70.40	68.55	70.72
August	68.70	70.30	68.64	70.64
Sept	69.25	70.85	69.13	71.13
Oct	70.05	71.36	70.00	71.70
Nov	70.80	72.00	71.00	72.40
Dec	71.60	72.05	72.05	73.43
Jan	73.00	73.80	73.60	74.20
Feb	73.60	73.90	73.90	74.40
March	73.00	73.00	73.00	73.40

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
July	142.56	43.70	42.25	41.90
Sept	140.56	41.55	40.25	39.95
Nov	139.70	40.70	—	39.20
Jan	139.15	—	39.60	38.80
March	139.20	40.00	39.60	38.60
May	139.55	40.80	40.40	38.60
July	139.56	—	—	38.60
Sept	139.55	—	—	38.60
Nov	139.55	—	—	38.50

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
June	261.5	—	—	266.5
July	262.5	266.5	261.5	267.5
Oct	261.7	271.0	267.0	272.4
Jan	272.1	275.5	271.5	277.4
April	277.1	280.0	276.5	282.4

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
June	611.0	613.0	609.0	610.2
July	614.0	618.0	610.0	613.5
August	617.7	—	—	617.2
Sept	621.6	625.0	617.0	621.1
Dec	633.1	637.0	630.0	633.1
Jan	637.4	—	—	637.5
March	645.3	646.0	646.0	645.6
May	653.9	650.5	650.0	654.8
July	663.1	—	—	664.4
Sept	672.9	673.0	673.0	674.6

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
July	2.91	2.92	2.84	2.93
Sept	3.02	3.03	2.97	3.05
Oct	3.15	3.16	3.05	3.13
Jan	3.60	3.62	3.55	3.62
March	4.06	4.07	3.96	4.01
May	4.28	4.29	4.18	4.23
July	4.53	4.54	4.08	4.45
Sept	4.64	—	—	4.58
Oct	4.86	4.87	4.70	4.73

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
June	59.57	59.77	59.25	59.10
August	62.47	62.60	61.95	61.90
Oct	62.57	62.65	62.02	62.22
Dec	63.67	63.72	63.12	63.45
Feb	64.52	64.55	64.00	64.40
April	65.52	65.55	64.90	65.35
June	65.60	65.60	65.00	65.45

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
June	46.85	47.15	46.70	47.07
July	49.90	50.35	49.70	50.32
August	49.85	50.15	49.65	49.87
Oct	46.77	46.90	46.60	46.82
Dec	48.20	48.20	47.82	47.80
Feb	48.97	48.97	48.60	48.70
April	45.30	45.70	45.25	45.25
June	48.00	48.00	47.95	47.22
July	48.90	48.90	48.85	48.90

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
July	276.8	276.8	274.2	273.6
Sept	259.0	259.0	256.4	256.2
Dec	255.2	255.4	253.0	252.8
March	265.0	265.2	262.2	261.2
May	270.4	270.4	267.0	266.4
July	269.4	270.6	268.0	268.4
Sept	255.4	255.4	255.2	252.2

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
July	66.47	67.10	65.55	66.42
August	65.57	66.35	64.90	65.92
Feb	71.57	72.20	71.30	71.37
March	71.50	71.85	71.00	71.40
May	71.75	73.10	71.75	72.40
July	73.26	73.25	72.65	73.00

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
July	567.6	568.4	561.6	562.4
August	560.2	561.4	554.6	554.4
Sept	556.6	557.0	551.0	549.0
Nov	560.6	561.0	553.4	552.2
Jan	571.0	571.4	563.0	561.6
March	581.0	581.0	574.4	571.0
May	589.4	589.4	583.0	579.0
July	594.4	594.4	586.4	584.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
July	119.7	120.0	118.5	118.9
August	122.7	122.8	121.5	121.9
Sept	125.6	125.8	124.5	124.8
Oct	128.5	128.5	127.3	127.5
Dec	133.1	133.8	132.5	132.7
Jan	135.1	136.5	135.1	135.2
March	139.6	141.0	139.6	139.1
May	143.8	143.8	143.5	143.0
July	146.1	—	—	146.2

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
July	30.29	30.35	29.77	29.93
August	28.94	29.05	28.53	28.82
Sept	28.02	28.05	27.55	27.58
Oct	26.95	27.00	26.50	26.50
Dec	26.03	26.10	25.55	25.49
Jan	25.56	25.65	25.15	25.01
March	25.20	25.20	24.75	24.80
May	24.75	24.85	24.30	24.20
July	24.34	24.34	24.00	23.55

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
July	322.4	323.4	319.4	319.2
Sept	324.2	325.0	322.0	321.4
Dec	331.6	332.4	330.2	329.6
March	333.0	333.6	332.2	331.4
May	322.0	323.6	322.0	319.6
July	306.0	308.0	304.0	302.4

SPOT PRICES—Chicago loose lard 18.00 (18.00) cents per pound. New York per pound. Handy and Harman silver bullion 609.5 (same) cents per

OTHER MARKETS

PARIS

SUGAR—(FFr per tonne): Aug 1266 value, Oct 1276/1280, Dec 1295/1305, March 1346/1350, May 1398/1405, Aug 1467/1475.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. July 636.0, 637.0, 636.0-634.0; Oct 625.0, 631.0, nil; Dec 628.0, 630.0, nil; Mar 632.0, 633.0, nil; May 636.0, 650.0, nil; July 640.0, 660.0, nil; Oct 620.0, 645.0, nil; Dec 622.0, 655.0, nil. Sales: 6.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Aug 538, 540, 540-537; Oct 537, 538, 539-538; Dec 537, 540, 539-537; Jan 537, 542, 541-538; Mar 548, 550, 549-48; May 553, 558, 556-555; Aug 565, 570, 569-567; Oct 565, 570, 568-567; Dec 565, 571, 568. Sales: 58.

WHEAT

WHEAT—(U.S. $ per tonne): U.S. two soft red winter July 139, Aug 143, Sept 146, Oct 146 sellers. U.S. two northern spring 14 per cent protein spot 177, June 1-15 169.50, June 169, July 164.50, Aug 162, Sept 159.50, Oct 161.25, Nov 164.50, Dec 167.50 sellers. U.S. northern spring 15 per cent protein June 179.50, July 175, Aug 172, Sept 170, Oct 172.50 sellers. U.S. three hard amber durum June 173.50, July 171, Aug 168.50, Sept 162.50, Oct 166, Nov 170 sellers. Canadian one western amber durum spot 191, June 181, June/July 181, July 180, Aug 180, Sept 178 sellers.

MAIZE—(U.S. $ per tonne): U.S. three yellow afloat 132, June 129, July 128.50, Aug 126, Sept 124.50, Oct/Dec 122, Jan/Mar 127 sellers. Argentine Plate afloat 132, May 132.50, June 131, July 133.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling falls as dollar rises

Sterling lost 2 cents against the dollar and also declined against other major currencies, but foreign exchange dealing was generally quiet. The major impact of the retreat by the pound was to put back hopes of a cut in UK bank base rates, but to some extent sterling's fall has been brought about by earlier speculation that reasonable mid-May money supply figures would produce lower interest rates. The figures are now widely regarded as not good enough, particularly against a background of the weaker pound.

Oil prices are the other major factor, but a fall in North Sea prices was already largely discounted and the market showed little reaction to news the British National Oil Corporation intends to cut $1.25 a barrel from its June price for Brent crude.

Apart from losing 2 cents to $1.2565-$1.2575 sterling also fell to DM 3.86 from DM 3.8975; FFr 11.7650 from FFr 11.8850; SwFr 3.2450 from SwFr 3.28 and Y313.75 from Y318.

The pound's exchange rateW index, as calculated by the Bank of England fell 0.9 to 78.8, the lowest level of the day. It opened at 79.2, and remained between 79.1 and 79.3 until the final figure

The dollar rose steadily but without any great conviction. In the absence of any new facts, tomorrow's U.S. unemployment figures are regarded as giving another guide to economic growth. Althoug h the U.S. currency showed resistance above a technical support level of around DM 3.04 it also failed to break through another important resistance level of DM 3.0750. Commercial buying at the lower levels helped support the dollar, but dealers are reluctant to take out new positions ahead of tonight's U.S. money supply figures, which may herald another cut in the Federal Reserve discount rate, while the market is also awaiting the flash estimate of second quarter gross national product on June 20.

The dollar advanced to DM 3.0720 from DM 3.0540; FFr 9.3650 from FFr 9.31; SwFr 2.5830 from SwFr 2.5690; and Y249.40 from Y249.10.

On Bank of England figures the dollar's index rose to 145.5 from 144.6.

D-MARK — Trading range against the dollar in 1985 is 3.4510 to 2.9730. May average 3.1024. Exchange rate index 121.9 against 120.8 six months ago.

The D-mark weakened against the dollar, and steady demand was seen for the U.S. currency. It rose to DM 3.07 from DM 3.0445 in Frankfurt, and earlier in the day the Bundesbank did not intervene when the dollar was fixed at DM 3.0671 compared with DM 3.0432 previously. News of a rise in German unemployment to 2.33m from 2.32m went unnoticed by the market, and a rise of 2.8 per cent in German industrial orders in April also had little impact. As expected the Bundesbank council meeting left the discount and Lombard rates unchanged, but hopes were raised of an easing in interest rates by the minimum level of only 5.3 per cent set for a securities repurchase agreement with the money market.

STERLING INDEX

	June 5	Previous
8.30 am	79.2	79.9
9.00 am	79.2	80.0
10.00 am	79.3	80.0
11.00 am	79.3	80.0
Noon	79.1	80.0
1.00 pm	79.1	80.0
2.00 pm	79.2	79.9
3.00 pm	79.1	79.8
4.00 pm	78.8	79.7

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu June 5	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian franc	44.9008	45.1338	+0.52	+0.62	±1.5471
Danish krone	8.14104	8.04473	−1.18	−1.08	±1.6419
German D-mark	2.24184	2.24105	−0.04	+0.06	±1.1475
French franc	6.87456	6.83327	−0.60	−0.50	±1.3669
Dutch guilder	2.52595	2.52667	+0.03	+0.13	±1.5171
Irish punt	0.72569	0.715997	−1.34	−1.24	±1.6673
Italian lira	1403.49	1430.30	+1.91	+1.91	±4.0410

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ IN NEW YORK

	June 5	Prev. close
£ Spot	$1.2565-1.2570	$1.2628-1.2640
1 month	0.57-0.55 pm	0.56-0.54 pm
3 months	1.57-1.53 pm	1.46-1.44 pm
12 months	4.25-4.10 pm	3.90-3.83 pm

Forward premiums and discounts apply to the U.S. dollar.

POUND SPOT—FORWARD AGAINST POUND

June 5	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.2545-1.2740	1.2565-1.2575	0.58-0.55c pm	5.39	1.56-1.51pm	4.88
Canada	1.7260-1.7425	1.7280-1.7310	0.50-0.41c pm	3.16	1.36-1.22pm	2.99
Nethlnd.	4.38½-4.39½	4.34½-4.35½	2¼-2⅛c pm	6.03	6⅜-6¼pm	5.75
Belgium	77.61-78.46	77.75-77.85	30-25c pm	4.24	78-69pm	3.78
Denmark	13.86¼-13.91¼	13.86½-13.87½	3¼-2¾ore pm	2.81	10-8¾pm	2.72
Ireland	1.2348-1.2438	1.2375-1.2395	0.16p pm-par	0.78	0.51-0.08pm	0.95
W. Ger.	3.85¾-3.89½	3.85½-3.86½	2⅜-2¼pf pm	6.99	6½-6¼pm	6.61
Portugal	218-224	218-222	90-415c dis	−13.77	305-1205dis	−13.73
Spain	219½-221½	219½-220½	25-55c dis	−2.18	120-170dis	−2.64
Italy	2,462-2,487	2,469-2,487	2-4 lire dis	−1.46	5-8dis	−1.05
Norway	11.12½-11.21¼	11.12½-11.13½	1⅞ore pm-⅛ dis	−0.27	⅛-1½dis	−0.38
France	11.74¼-11.88¼	11.76-11.77	2⅞-2⅜c pm	2.61	6-5¼pm	1.91
Sweden	11.18¼-11.27½	11.18½-11.19½	3⅛-4¼ore dis	−4.22	10⅞-11¾dis	−4.04
Japan	313-317¾	313¾-314¾	1.80-1.70y pm	6.69	4.90-4.70pm	6.12
Austria	27.14-27.34	27.14-27.20	15¾-13⅞gro pm	6.40	41½-37½pm	5.84
Switz.	3.24-3.27¼	3.24-3.25	2⅞-2¼c pm	8.09	6½-6pm	7.47

Belgian rate is for convertible francs. Financial franc 78.05-78.20. Six-month forward dollar 2.75-2.70c pm, 12-month 4.28-4.13c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

June 5	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.2545-1.2740	1.2565-1.2575	0.58-0.55c pm	5.39	1.56-1.51pm	4.88
Ireland†	1.0774-1.0240	1.0198-1.0208	0.44-0.34c pm	4.58	1.15-0.85pm	3.92
Canada	1.3683-1.3710	1.3700-1.3710	0.22-0.25c dis	−2.06	0.61-0.66dis	−1.85
Nethlnd.	3.4400-3.4650	3.4585-3.4595	0.21-0.18c pm	0.68	0.72-0.68pm	0.81
Belgium	61.45-61.90	61.80-61.90	6-7c dis	−1.26	16-17dis	−1.04
Denmark	10.98½-11.02¼	11.01¾-11.02¼	1½-2¼ore dis	−2.18	4½-5dis	−1.72
W. Ger.	3.0605-3.0760	3.0715-3.0725	0.53-0.48pf pm	1.98	1.57-1.52pm	2.02
Portugal	174-175½	174-175	150-400c dis	−18.88	450-1150dis	−18.31
Spain	173.71-174.70	174.40-174.70	100-115c dis	−7.40	300-330dis	−7.22
Italy	1,950-1,962	1,961-1,962	10½-11 lire dis	−6.59	29½-30dis	−6.06
Norway	8.80½-8.85¾	8.84¾-8.85¾	3¾-4¾ore dis	−5.43	10¾-11¼dis	−4.97
France	9.31¼-9.37¾	9.36¾-9.38¾	2.07-2.17c dis	−2.72	6.60-6.90dis	−2.89
Sweden	8.85¾-8.90¾	8.89¾-8.90¾	6½-7¼ore dis	−9.45	19-19½dis	−8.66
Japan	248.80-249.45	249.35-249.45	0.32-0.28y pm	1.40	0.85-0.75pm	1.28
Austria	21.45½-21.63	21.58-21.63	2½-1⅛gro pm	1.18	7-4½pm	1.07
Switz.	2.5670-2.5840	2.5825-2.5835	0.58-0.52c pm	2.56	1.68-1.62pm	2.56

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 62.10-62.20.

OTHER CURRENCIES

June 5	£	$		£ Note Rates
Argentina Peso	780.30-781.75	617.56-617.96	Austria	27.30-27.60
Australia Dollar	1.9175-1.9215	1.5140-1.5165	Belgium	78.30-79.10
Brazil Cruzeiro	7,002-7,033	5,540-5,560	Denmark	13.90-14.03
Finland Markka	8.0590-8.0680	6.3795-6.3815	France	11.81-11.92
Greek Drachma	169.59-173.25	133.75-136.55	Germany	3.87½-3.90½
Hong Kong Dollar	9.8160-9.8250	7.7725-7.7745	Italy	2465-2500
Iran Rial	119.50*	92.25*	Japan	315-319
Kuwait Dinar (KD)	0.3806-0.3850	0.30230-0.30245	Netherlands	4.37-4.41
Luxembourg Fr.	77.75-77.85	61.80-61.90	Norway	11.16-11.27
Malaysia Dollar	3.1080-3.1150	2.4610-2.4640	Portugal	214-228
New Zealand Dlr.	2.8145-2.8225	2.2245-2.2295	Spain	213-223½
Saudi Arab Riyal	4.5452-4.5492	3.6102-3.6107	Sweden	11.21-11.32
Singapore Dollar	2.7975-2.8025	2.2145-2.2165	Switzerland	3.26-3.29
Sth African Rand	2.5215-2.5335	1.9900-1.9940	United States	1.26-1.28
U.A.E. Dirham	4.6250-4.6279	3.6720-3.6730	Yugoslavia	332-358

* Selling rate.

CURRENCY MOVEMENTS

June 5	Bank of England Index	Morgan Guaranty Change %
Sterling	78.8	−11.0
U.S. dollar	145.6	+31.5
Canadian dollar	87.7	−6.9
Austrian schilling	112.3	+5.9
Belgian franc	89.8	−10.9
Danish Kroner	77.6	−6.8
Deutsche mark	121.9	+6.6
Swiss franc	139.5	+7.5
Guilder	112.3	+3.2
French franc	65.0	−15.5
Lira	45.3	−16.7
Yen	155.9	+12.2

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

CURRENCY RATES

June 5	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.786206	0.577837
U.S. $	7½	0.995557	0.730675
Canadian $	9.59	*	1.00089
Austria Sch.	4½	21.4276	15.7241
Belgian Fr.	9¼	61.4596	45.1538
Danish Kr	7	N/A	8.04473
Dmark	4½	3.06280	2.24105
Guilder	5½	3.44038	2.52667
French Fr	9½	9.30842	6.83327
Lira	15½	1948.32	1430.30
Yen	5	248.436	182.121
Norway Kr.	8	8.77987	6.46095
Span'h Pta.	—	172.284	127.320
Swedish K.	11.5	8.82715	6.49168
Swiss Fr.	4	2.56916	1.88310
Greek Dr'ch	20½	134.734	98.9407
Irish Punt	13¾	0.975542	0.715997

*C$/SDR rate for June 4: 1.36986

EXCHANGE CROSS RATES

June 5	Pound St'rling	U.S. Dollar	Deutschem'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.257	3.860	313.8	11.77	3.245	4.350	2467.	1.729	77.80
U.S. Dollar	0.796	1.	3.072	249.4	9.366	2.583	3.459	1962.	1.375	61.86
Deutschemark	0.259	0.326	1.	81.28	3.049	0.841	1.127	639.0	0.448	20.16
Japanese Yen 1,000	3.187	4.005	12.30	1000.	37.50	10.34	13.86	7861.	5.509	248.0
French Franc 10	0.850	1.068	3.281	266.7	10.	2.758	3.697	2096.	1.469	66.13
Swiss Franc	0.308	0.387	1.190	96.69	3.626	1.	1.341	760.1	0.533	23.98
Dutch Guilder	0.230	0.289	0.887	72.13	2.705	0.746	1.	567.0	0.397	17.89
Italian Lira 1000	0.405	0.510	1.565	127.2	4.770	1.316	1.764	1000.	0.701	31.54
Canadian Dollar	0.579	0.727	2.233	181.5	6.806	1.877	2.517	1427.	1.	45.01
Belgian Franc 100	1.285	1.616	4.961	403.3	15.12	4.171	5.591	3170.	2.222	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

June 5	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short-term	12¾-13	7¾-7⅞	9⅞-10⅛	6¾-6⅞	1⅛-1⅜	5⅜-5 11/16	10⅛-10¼	13¼-14½	8¾-9	8¾-9	6-6⅛	10-10¼
7 days' notice	12¾-12⅞	7½-7⅝	9⅞-10⅛	6¾-6⅞	1¾-2	5⅜-5 11/16	10⅛-10¼	13½-14¾	8¾-9	8¾-9	6¼-6⅜	9¾-10¼
Month	12 11/16-12 13/16	7 7/16-7 9/16	9⅝-9⅞	6¾-6⅞	4⅞-5	5½-5⅝	10⅛-10¼	13½-14	8¾-9	8¾-9	6¼-6⅜	9¾-10¼
Three months	12⅜-12½	7½-7⅝	9 9/16-9 11/16	6 11/16-6 13/16	4 13/16-5 1/16	5 7/16-5 9/16	10 3/16-10 5/16	13¼-13⅝	8¾-9	8¾-9	6¼-6⅜	9¼-9¾
Six months	12⅛-12¼	7⅝-7¾	9¼-9 7/16	6⅝-6¾	4 13/16-5 1/16	5⅜-5⅝	10⅜-10½	13⅛-13½	8⅞-9⅛	8⅞-9⅛	6¼-6⅜	9⅛-9⅜
One year	11⅞-12	8-8⅛	9⅜-9⅝	6 9/16-6 11/16	4 13/16-5 1/16	5 5/16-5 11/16	10 1/16-10 3/16	13⅛-13⅞	9-9¼	9-9¼	6 3/16-6⅜	9⅛-9⅝

Asian $ (closing rates in Singapore): Short-term 7⅝-7¾ per cent; seven days 7 11/16-7 13/16 per cent; one month 7 9/16-7 11/16 per cent; three months 7 9/16-7 11/16 per cent; six months 7 11/16-7 13/16 per cent; one year 8 1/16-8 3/16 per cent. Long-term Eurodollars: two years 9¼-9½ per cent; three years 9 11/16-9 15/16 per cent; four years 10-10¼ per cent; five years 10¼-10½ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

FINANCIAL FUTURES

Below best

Dollar denominated interest rate contracts finished below their peaks on the London International Financial Futures Exchange yesterday, but dealers reported the mood remains very bullish amid expectations of a cut in the Federal Reserve's discount rate. Today's U.S. money supply figures are a focal point for an anticipated move by the U.S. central bank, but traders seem prepared to wait until the flash estimate of second quarter GNP on June 20, when it is forecast the rate of growth will confirm that the level of growth in the first half of 1985 has been well below earlier expectations.

September Eurodollars opened firm at 92.19 and the move strongly above 92.00 was regarded as an important barrier for the market. After touching a peak of 92.23 the price fell back on liquidation of long positions however, and closed at 92.17 compared with 91.92 previously.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
June	92.49	92.52	92.46	92.39
Sept	92.17	92.23	92.08	91.92
Dec	91.73	91.75	91.66	91.48
March	91.34	91.34	91.28	91.07
June	91.01	90.97	90.94	90.74

Estimated volume 7,000 (4,298)
Previous day's open int 19,497 (19,945)

THREE-MONTH STERLING
£500,000 points of 100%

	Close	High	Low	Prev
June	87.58	87.65	87.60	87.72
Sept	88.46	88.55	88.43	88.53
Dec	88.82	88.90	88.80	88.87
March	89.01	89.05	89.02	89.00
June	89.05	89.20	89.12	89.05

Estimated volume 2,401 (2,809)
Previous day's open int 7,367 (7,542)

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
June	106-15	107-02	106-14	106-30
Sept	110-13	110-27	110-13	110-22
Dec	110-20	—	—	110-29
March	110-28	—	—	110-17

Estimated volume 2,240 (4,205)
Previous day's ope nint 3,923 (2,880)

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
June	106-15	107-02	106-14	106-30
Sept	110-13	110-27	110-13	110-22
Dec	110-20	—	—	110-29
March	110-28	—	—	110-17

Estimated volume 2,240 (4,205)
Previous day's open int 3,923 (2,880)
Basis quote (clean cash price of 13¾% Treasury 2003 less equivalent price of near futures contract) —10 to par (32nds).

STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.2587	1.2727	1.2570	1.2795
Sept	1.2440	1.2580	1.2430	1.2655
Dec	1.2320	1.2400	1.2400	1.2545

Estimated volume 1,323 (498)
Previous day's open int 9,888 (8,461)

DEUTSCHE MARKS
DM 125,000 $ per DM

	Close	High	Low	Prev
June	0.3259	0.3261	0.3258	0.3281
Sept	0.3274	0.3284	0.3273	0.3298
Dec	0.3294	—	—	0.3316

Estimated volume 8 (22)
Previous day's open int 236 (254)

SWISS FRANCS
SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
June	0.3879	—	—	0.3905
Sept	0.3902	—	—	0.3929

Estimated volume nil (nil)
Previous day's open int 179 (158)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.4013	—	—	0.4018
Sept	0.4026	—	—	0.4031

Estimated volume nil (8)
Previous day's open int 149 (201)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev
June	133.35	133.35	132.65	133.35
Sept	132.85	133.95	133.40	133.90

Estimated volume 293 (236)
Previous day's open int 1,554 (1,932)

U.S. TREASURY BONDS
8% $100,000 32nds of 100%

	Close	High	Low	Prev
June	79-18	79-25	79-14	78-23
Sept	78-21	79-12	78-14	77-27

Estimated volume 2,657 (1,329)
Previous day's open int 2,181 (1,494)

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	79-16	80-11	79-13	78-22
Sept	78-18	79-12	78-13	77-24
Dec	77-18	78-13	77-14	76-25
March	76-24	77-12	76-19	75-28
June	75-28	76-02	75-24	75-02
Sept	75-03	75-31	75-00	74-10
Dec	74-12	74-28	74-10	73-20
March	73-24	74-15	73-23	73-01
June	73-04	7-304	73-04	72-15
Sept	—	—	—	—
Dec	72-08	72-18	72-08	71-18

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
June	93.11	93.19	93.08	93.03
Sept	93.00	93.07	92.92	92.82
Dec	92.69	92.75	92.58	92.60
March	92.39	92.44	92.36	92.18
June	92.10	92.12	92.09	91.89
Sept	91.89	91.91	91.89	91.64
Dec	91.66	91.66	—	91.41
March	91.45	91.45	—	91.20

CERT DEPOSIT (IMM)
$1m points of 100%

	Latest	High	Low	Prev
June	92.81	92.87	92.79	92.72
Sept	92.49	92.54	92.45	92.28
Dec	—	92.11	92.01	91.82
March	—	—	—	91.43

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
June	92.49	92.52	92.46	92.38
Sept	92.13	92.21	92.10	91.93
Dec	91.69	91.77	91.65	91.47
March	91.30	91.37	91.26	91.07
June	90.95	91.03	90.91	90.74
Sept	90.68	90.75	90.66	90.47
Dec	90.43	90.45	90.40	90.20
March	—	90.14	90.14	89.94

STERLING (IMM) $s per £

	Latest	High	Low	Prev
June	1.2600	1.2680	1.2590	1.2880
Sept	1.2455	1.2540	1.2450	1.2555
Dec	1.2380	1.2440	1.2380	1.2465
March	—	—	—	1.2265
June	—	—	—	1.2290
Sept	—	—	—	1.2505

GNMA (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	76-20	77-04	76-09	75-24
Sept	76-03	76-16	75-24	75-06
Dec	—	—	—	74-20
March	—	—	—	—
June	—	—	—	73-22
Sept	—	—	—	73-10

MONEY MARKETS

Hopes fade of lower base rates

Dealers suggested that a cut in clearing bank base rates seemed as far away as before the latest money supply and banking figures, after sterling continued to lose ground on the foreign exchanges yesterday. The pound has lost about 4 cents from its highs earlier this week and has also weakened against Continental currencies. Although the money supply figures were much better than the previous month, they remain above target and with the present position of sterling, rates appeared to be readjusting to the current structure. Three-month interbank rose to 12 11/16-12 7/16 per cent from 12½-12⅝ per cent, but the most obvious move was in bill rates, where the discount houses buying rates for three month eligible bill rose to 11 15/16-12 per cent from 11⅞ per cent.

UK clearing banks base lending rate 12½-12¾ per cent since April 19

The Bank of England forecast a market shortage of £750m, but changed this to £700m and then back to £750m. Total help was £766m. An early round of help was offered, but lingering thoughts of lower interest rates meant the Bank of England found only £6m bills to buy outright, through £2m bank bills in band 1 (up to 14 days' maturity) at 12⅜ per cent; £2m bank bills in band 2 (15-33 days) at 12⅜ per cent; and £2m bank bills in band 3 (34-63 days) at 12⅜ per cent.

Although houses probably held back at first the confirmation of existing official dealing rates encouraged selling of bills to the authorities later in the morning.

Further help of £494m was given before lunch, including £228m outright purchases of bills, by way of £40m bank bills in band 1 at 12⅜ per cent; £97m bank bills in band 2 at 12⅜ per cent; £41m bank bills in band 3 at 12⅜ per cent; and £50m bank bills in band 4 (64-91 days) at 12 per cent. Another £266m bills were bought for resale to the market in equal amounts on July 1 and 2 at 12⅜ per cent.

In the afternoon the authorities bought £236m bills outright, through £1m Treasury bills in band 1 at 12⅜ per cent, and £235m bank bills in band 2 at 12⅜ per cent. Late assistance of around £30m was also provided.

MONEY RATES

June 4	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.50-5.60	10¼	1⅞-2⅛	6¾-6⅞	6.28125	15⅛-15⅛	8.70	12¾-13
One month	5.60-5.70	10⅛-10¼	4⅞-5	6¾-6⅞	6.34375	15-15⅛	8¾-9	12⅝-12⅞
Two months	5.65-5.75	10⅛-10¼	—	—	—	—	—	12½-12¾
Three months	5.65-5.75	10⅛-10¼	4 13/16-5 1/16	6 11/16-6 13/16	6.28125	15⅛-15½	8⅞-9⅛	12½-12¾
Six months	5.7-5.8	10 7/16-10 9/16	—	6⅝-6¾	—	—	8⅝-9⅛	12½-12¾
Lombard	6.0	—	—	—	—	—	—	—
Intervention	—	10⅛	—	5⅞	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

June 5 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	10-13¼	12¾	12-13⅛	8-12¾	—	—	—	—	—
2 days notice	—	—	12¾-12⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12¾-13⅛	12¾-12⅞	12⅞-13⅛	12¾	—	—	—	—	—
One month	12 11/16-12 13/16	12 13/16-12¾	12⅞	12⅞	12½	12⅛	12⅛	12 7/16	12 7/16-12¼	12 15/16
Two months	12⅛-12⅜	12 11/16-12 13/16	12½	12¾	12⅛	12⅛	12	12 3/16-12 5/16	12-12⅛	12 7/16
Three months	12⅜-12¼	12 11/16-12 7/16	12½	12½	12	11⅞	11¾	11 15/16-12	11 15/16-11⅞	12 7/16
Six months	12 3/16-11 15/16	12 5/16-12¼	12⅜	—	—	—	—	11 15/16-11 13/16	11 13/16-11 11/16	11 15/16
Nine months	11⅞-11¾	11 15/16-12⅛	—	—	—	—	—	—	—	—
One year	11 15/16-11 13/16	11 15/16-12	12⅛	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	13¼-13	—	12 11/16	7.3-7.4	7⅞-7⅞	9¼-9⅝
Two months	13¼-13	—	12⅞	7.3-7.4	7⅞-7⅞	9¼-9⅝
Three months	13⅛-12⅜	—	12⅞	7.3-7.4	7⅝-7⅞	9¼-9⅝
Six months	12⅝-12⅜	—	12⅞	7.4-7.5	7 11/16-7 15/16	9¼-9⅝
Nine months	12 3/16-12 1/16	—	12⅛	7.7-7.8	—	—
One year	12¼-12	—	12	7.85-7.95	7 13/16-8 1/16	9⅜-9¼
Two years	—	11⅞	—	—	—	—
Three years	—	11¾	—	—	—	—
Four years	—	11⅝	—	—	—	—
Five years	—	11⅛	—	—	—	—

ECGD Fixed Rate Export Finance IV: Average Rate of Interest period May 8 to June 4 (inclusive): 12.677 per cent. Local authority and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 13 per cent from June 1, 1985. London and Scottish Clearing Bank Rates for lending 12½-13¾ per cent. Bank Deposit Rates for sums at seven days' notice 6.65-7.25 per cent (net). Treasury Bills: Average tender rate of discount 11.8015 per cent. Certificates of Tax Deposit (Series 6): Deposits £100,000 and over held under one month 12¾ per cent; one-three months 12¾ per cent; three-six months 12½ per cent; six-nine months 12½ per cent; nine-12 months 12¼ per cent. Under £100,000 11¾ per cent from May 14. Deposits held under Series 5 12¾ per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. June 5)

3 months U.S. dollars	
bid 7 1/2	offer 7 5/8

6 months U.S. dollars	
bid 7 5/8	offer 7 3/4

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	10
Broker loan rate	8½-8¾
Fed funds	7¾
Fed funds at intervention	—

Treasury Bills

One month	6.95
Two month	6.90
Three month	6.92
Six month	6.98
One year	7.12

Treasury Bonds

Two year	101 1/16
Three year	102 3/32
Four year	100 23/32
Five year	102 7/32
Seven year	100 23/32
10 year	108¾
30 year	108⅛

WORLD STOCK MARKETS

OVER-THE-COUNTER

Continued from Page 42

Stock	Sales (Hnds)	High	Low	Last	Chng
I I					
IBI	11	3½	3½	3½	+¼
IEG	6	4½	4½	4½	
IIS .05	56	5¼	5¼	5¼	
ILC	3	10	10	10	
IMS s .16	16	26⅝	26⅝	26⅝	−⅛
IPL Sy	20	1⅞	1¾	1¾	
ISC	439	10¾	10⅝	10½	
IVB Fn 2.20	10	33	32½	33	+½
Icot	163	5⅞	5¾	5¾	−⅛
Imatrn	94	2⅛	1⅞	1⅞	−⅛
Imtrn wt	6	⅝	⅝	⅝	
Imunex	33	6⅝	6⅝	6⅝	+¼
Imuno	69	5	4⅞	5	+⅛
Imugen	76	2⅞	2¾	2⅞	+1-16
Inacmp	7	4¾	4¾	4¾	
IndBcp 1.92	21	41	40	40	−⅝
IndHldg .05e	9	11½	10⅞	10⅞	
IndBnc .30r	16	8	8	8	+⅛
IndlN 1.40	86	43⅞	43¾	43¾	−⅛
IndlN pf	33	31⅞	31⅝	31⅞	+⅛
IdplWat 2.66	24	33⅜	33⅛	33⅛	
InAcous .25e	1	7	7	7	
IndEl	93	2¾	2⅝	2⅝	−⅛
InertD s	5	4¼	4¼	4¼	
Infolmtl .20	12	13¼	13¼	13¼	+⅛
InfoSc	15	2	2	2	−¼
InfoRsc	10	23½	23½	23½	−½
Inftrn	8	21¼	21¼	21¼	
ImmedC	6	12⅛	12⅛	12⅛	
InsituE	29	8	7¾	7¾	−¼
InstNtw	215	32	31¼	31¼	−¾
Intech t	16	4¼	4	4⅛	
Intecm	1156	4¾	4½	4½	−¼
ItgCirc	19	6⅝	6⅝	6⅝	
IntgDv	242	11	10⅝	10¾	
IntgGen	97	4	3⅞	4	+¼
ISSCO	70	22	21¾	21¾	−¼
IntegFn	8	7	7	7	−⅛
Intel	4868	25½	25½	25½	−1
IntlSy	915	6¾	6½	6⅝	
IntrTel	7	1⅞	1¾	1⅞	+⅛
Intrnd	99	11½	11¼	11¼	−¾
Intdyn h	5	8	8	8	
IntrlFlr .16	15	14½	14¼	14½	
Intrtac 1.03t	115	7½	7	7¼	−⅛
Intgrph	3857	56¾	55½	56	−½
Intrmgn	111	8⅞	8⅝	8⅞	+⅛
Intmec	85	17¼	16¾	17⅛	−⅛
Intrmet	7	8¾	8⅝	8¾	
InBWsh	137	14	13	14	+1
IBkWsA	274	14	13½	13⅞	+⅛
IntClin	158	13	12¾	12¾	
IGame	302	12½	11⅞	12¼	+½
IntHld t	80	12⅝	12	12⅝	+⅝
IntKing t	181	19¾	19⅜	19⅜	+⅛
IntLse	10	18¼	18	18¼	
InMobil	169	8	7¾	7¾	−¼
IntRsh .36	26	7	6¾	6⅞	−⅛
IRIS	491	15-16	⅞	15-16	
IT Cp s	521	22½	22	22	−½
Int Total	90	7⅛	6⅞	7	−⅛
Intphse	3	3¾	3¾	3¾	−¼
Inthrm .20	20	14½	14½	14½	−⅛
Invcre .01e	35	4⅛	4	4	−⅛
InvstSL .06e	219	6⅛	5⅝	5⅞	+⅛
Iomega	1722	8⅝	8⅜	8½	
IwaSoU 3.60	28	44½	43⅝	44½	+1⅛
Isomdx	37	10¼	9¾	10	−¼
Itel	1494	8	7½	7⅝	−¼
Itel wt	510	4½	4 5-16	4 7-16	−¼
Itel pf	40	34¾	34½	34¾	+¼
J J					
JBRst s .16	165	13⅝	13½	13⅝	+¼
JLG	106	6⅜	6⅛	6¼	−⅛
JP Ind	7	17¾	17¼	17¾	+½
Jackpot	359	7	6⅞	6⅞	−⅛
JackLfe	853	35¾	33¾	35½	+1⅞
Jacbsn .50	27	30	29⅛	29¾	+½
JamWtr	38	17¾	17½	17¾	+¼
JeffrGp	1115	20¼	19⅞	19⅞	−⅛
JeffBsh 1.60	38	40	39¼	39¼	−¾
JeffNL s .44	35	22	21¾	22	+½
JefSmrf .40a	50	19½	19¼	19¼	−¼
JefMart	42	7	6⅞	6⅞	−⅛
Jerico .12	733	21¼	21	21⅛	−⅛
JhnsnE	98	5	4¾	5	+⅛
Jonicbl t	200	7¼	7	7⅛	
Jonel A t	315	7⅛	7	7	
Josphsn	449	9¾	9	9½	+¼
Judys .12	10	5½	5½	5½	−¾
Juno s	2	17¼	17¼	17¼	+¼

Stock	Sales (Hnds)	High	Low	Last	Chng
Justin .40	76	20¼	20	20¼	+⅛
K K					
KLA s	227	17	16¾	16¾	
KMW Sy	89	10⅞	10¾	10¾	−¼
KTron	2	4¾	4¾	4¾	+⅛
KV Phr	4	6¾	6¾	6¾	
Kaman .56	117	32½	31¾	32	+¼
Kamnst	80	2⅞	2⅝	2⅝	
Kappa	4	5	5	5	
Karchr	589	15⅞	15⅜	15½	−⅛
Kasler .50r	61	16½	16¼	16¼	
Kaydon	329	9	8⅞	8⅞	−⅛
Kaypro	179	2¾	2⅝	2⅝	−⅛
Keane .20	23	17¾	17½	17½	+¼
vjKelyJ	199	7-16	5-16	5-16	
KellyS A .64	29	41½	40	40	−1½
KellyS B .52	11	44½	43	44½	+⅝
Kemp 1.80	564	56	55⅝	55⅞	+½
Kencop	47	4⅛	3⅞	3⅞	−¼
Kengtn	3	10	10	10	−¼
KyCnLf .90	25	41½	41¼	41½	+¼
Kevex	11	6½	6½	6½	
Kevlin	16	5¾	5½	5½	
KewnS s .44	9	13⅜	13	13⅜	
KeyTrn	82	7¾	7⅝	7⅝	
KeysFn 1	20	22¼	21½	22¼	+⅛
Kimbal .54	24	30¾	30½	30¾	+½
Kimbrk	21	5	5	5	
Kinder s .06	1020	20	18½	18⅝	−¼
KngWld	88	30	29	29½	+½
KlosVd	1	5	5	5	
Kroy .06	x252	7	6¾	6¾	−⅛
Kruger .32	371	16⅜	16⅛	16⅜	+⅛
Kulcke .16	917	14¼	13⅞	13⅞	−¼
KustEl	9	6¾	6¾	6¾	
L L					
LCS s	11	8½	8¼	8½	
LDBrnk	12	7½	7⅜	7½	
LJN	42	13⅝	13⅜	13⅝	+¼
LSI Ltg	59	18⅞	18¾	18¾	−⅛
LSI Log	1513	13	12½	12¾	
LTX	238	12¼	12	12	−⅛
LaPete s	219	15½	15¼	15¼	−¼
LaZ By 1.40	5	44¼	44	44¼	+¼
LacldSt .25e	20	19	18½	18½	−½
LadFrn .12a	142	18⅜	18⅜	18⅜	
Laidlw .16	973	18	16	17¾	+1¼
LdlT B s .16	17	9⅞	9⅞	9⅞	+⅛
LamRs	137	9⅜	8⅞	9	−⅜
LamaT .80	x3	14⅝	14½	14½	−⅛
Lancast .68	45	16½	16¼	16¼	−¼
Lance s .92	156	29¾	29¼	29½	+¼
LdLnSL .32	5	10	10	10	
LndBF .60	1183	17⅞	17⅝	17⅝	−⅛
LdmkS	56	14⅜	14⅛	14⅜	
LaneCo .92	30	50	49½	49½	−½
Langly .25e	95	7½	7⅜	7⅜	−⅛
Larsen .72	11	41	40¾	40¾	+¼
Lawsn s .28	18	27½	26¾	27¼	+½
LeeDta	461	5¼	5⅛	5⅛	
Lemer	44	11	10⅝	11	
Lesco	13	18¼	18	18	+¼
LewisP .28b	105	8¾	8½	8¾	+⅛
Lexidta	9	2⅝	2⅝	2⅝	−¼
LbtFGa	1	21½	21½	21½	+¼
LbtyH A	36	11	10¾	11	+¼
LbtyH B	1	10½	10½	10½	+¼
LibUB s	7	33½	33½	33½	
Liebrm	17	26¾	26½	26½	−¼
Liebrt .07	317	19½	18¾	18¾	
Lfinvs .24	2	43¾	43¾	43¾	−½
LfeCom	64	5¾	5⅝	5⅝	
Lilly A s .38	115	13¾	13¼	13¾	+⅜
LilyTul .30	2113	19½	18⅞	19⅜	+⅜
LinBrd	1541	31⅛	30¾	31	+¼
LincTel 2.20	128	33¾	33⅜	33⅝	+⅛
Lindbrg .16	87	5⅛	5	5	−⅛
LinerCp	48	5¼	5⅛	5⅛	
LiqBox .72	15	52½	50	52	+1
LiqdAir 1.60	2	23½	23½	23½	
LittlArt .70	2	24¼	24¼	24¼	+¾
LizCla s .35	1759	49½	47½	49¼	+1¾
LoanA	37	15½	15¼	15⅜	+⅞
LocalF .15e	63	17½	17¼	17½	+½
LondnH	3	7¾	7¾	7¾	
LongF 1.28	184	25¾	24¾	24¾	−¼
Lotus	1325	29½	28½	28¾	−½
LaBnch .60	30	17½	17½	17½	−½
Lypho s	426	22⅝	21⅞	22¼	+⅜
M M					
MARC	1849	19½	17½	19½	+1¾
MCI	6690	8⅝	8⅜	8⅝	+⅛
MIW	7	7¼	7	7¼	
MTV	54	26¼	25⅞	25⅞	−½
MachTc	166	6¼	6⅛	6¼	−⅛
MackTr	1462	11	10¾	10⅞	+⅛
MadGE 2.20	46	26⅝	26½	26½	
MagmP	161	10¾	10½	10⅝	+⅛
MagBk	9	21	20	20	−1
MagGp .68	83	13	12¾	13	−¼
MaineN 1.20	18	37¼	37	37	+½
MajRt	124	8⅜	8½	8⅝	+⅛
Malrite .01e	487	17⅛	16⅞	17⅛	+¼

Stock	Sales (Hnds)	High	Low	Last	Chng
MgtSci	994	14½	13⅞	13⅞	−½
Manitw .80	231	23	22¾	23	+¼
ManH s	313	13¼	12⅝	12⅞	+⅛
MfrsN 2	48	57¾	57½	57¾	
Marcus .28e	48	18	17⅝	17⅝	−⅛
MarnC s 1.40	41	33½	32¾	33½	+½
MTwan .80	1	20¼	20¼	20¼	+½
Marqst .05e	7	11	10¾	10¾	
MarsSt	248	17⅜	16⅞	16⅞	−⅜
MarshS .48	12	16½	16½	16½	−⅛
MarshI 2.24	75	62	61¼	62	
MrldN s t	223	30½	30¼	30¼	−⅛
Mascmp	77	6¼	5¾	6¼	+½
Mscoln	88	59¼	58¾	58¾	
Masstor	1669	3⅝	2⅝	2⅞	−11-16
MathBx	487	12½	11⅞	12⅛	
Maxcre	1935	32¼	31	31½	−⅝
Maxwel	72	14	13¼	13¾	+¾
MayPt	49	5⅛	4⅞	5	−⅛
MaySu A .10a	15	23¼	23¼	23¼	+½
MaynOl	5	4	4	4	
MaysJ	41	9	8⅞	9	+⅛
McCrm .88	276	38⅛	37⅞	37⅞	−⅛
McFad	1	10⅞	10⅞	10⅞	+⅜
McFarl	177	12½	12¼	12¼	
McGrth	48	9	8¾	8¾	−⅜
Mechlr s	5	13¾	12¾	13¾	+¼
Medalst .20e	208	11¼	10⅞	11⅛	+⅛
MedcoC	94	23½	23¼	23½	+⅛
Medex .05	82	9	8¾	8¾	
MedCre	53	5⅞	5¾	5⅞	
MedclSt	56	11¼	11	11¼	
MedShp	498	23¼	23	23¼	+⅛
MedrGl	17	5	4½	5	+¼
Medpl s	102	26	25½	26	+¼
Megdt s	42	5¼	5	5	−⅜
Mentor	240	18⅜	17¾	17¾	−¾
MentrG	1509	25⅛	24⅝	24⅝	+⅛
MercBc 1.92	94	37⅜	37¼	37¼	−¼
MercBk 1.66	73	51¾	51¼	51½	+¼
MerBCa	1	6⅝	6⅝	6⅝	
MerBPa 1.70	57	44¾	44¼	44¾	+½
MerNY 1b	8	83	82	83	+½
MrchCo	23	16¾	16½	16¾	−¼
MerchN 1.20	32	54½	53	54½	+2
MrdBc s	22	32¾	32¼	32¾	+½
MrdB pf 2.50	21	34	32½	33⅝	+⅜
MerlB s	22	16	15¾	15¾	
Merimc	10	14¼	14¼	14¼	−¾
MeryG s	822	18¾	17½	18⅝	+1⅛
MeryLd t	82	14½	14	14	−¼
MesbAv	7	3⅝	3⅜	3⅝	+¼
Metrbn .10r	10	12½	12½	12½	+⅛
MetAir s	124	16⅜	15¼	16⅛	+⅝
MetrFn .60b	32	15	14¾	15	+¼
Metrml	1264	18¼	17⅞	18⅛	+¼
MichStr	97	5⅛	5	5⅛	
Micom	1229	16¼	15¼	16	+¼
MicrD	130	3⅞	3½	3⅞	
MicrMk	217	7⅛	6⅞	7	−⅛
Micrdy .06	104	6⅜	6¼	6⅜	
MicrTc	1277	7½	6¾	7⅛	−⅝
Microp	235	7⅛	6⅞	7⅛	+¼
Micrpro	107	2½	2⅜	2⅜	
Micros	15	3¼	3⅛	3⅛	
MicrSm	186	6½	6¼	6⅜	
MicrFlt	37	4⅛	3⅞	4⅛	+⅛
MidABc .56	46	20¼	20	20¼	
MdPcA	787	3¼	3⅛	3¼	
MdStFd .40	110	19¾	19	19⅜	+⅜
MdsxW s 1.50	69	25	24½	24½	−½
MidlBk 1.12	344	38⅛	37	38	+⅞
MdwAir	239	6⅞	6¾	6¾	
MdwCm 1	5	45	45	45	−¾
MdwFn 1.20	6	16¾	16¾	16¾	−¼
MillHr .60	205	37⅜	37⅛	37⅜	
MiBlcm	2	3½	3½	3½	
Millipr .44	241	42⅛	41½	42	+⅜
Miltope	1	16½	16½	16½	
Miniscr	209	2¾	2⅝	2⅝	−⅛
Minstrk	1512	9⅛	8⅞	8⅞	−⅛
Minstar	488	23¾	23¼	23¾	+¼
MGask .01e	88	11¼	11	11	−⅜
Mitsui .11e	2	29	29	29	−⅛
MoblC A	29	10⅜	10⅛	10⅛	+⅛
MoblC B	196	10¾	10⅝	10¾	+½
MobGas .96	1	13¾	13¾	13¾	
MOCON .02e	42	6¾	6½	6⅝	−⅛
Modine s .88	39	17¾	17½	17¾	+¼
Moleclr	49	7½	7¼	7½	+¼
Molex .03	882	32⅛	31½	31½	−1¼
MonCa .70j	1864	43⅝	42⅞	43⅝	+1⅜
Moncor	310	2⅜	1⅞	2¼	−¼
MonfCl .35e	41	18	17¾	18	+¼
MonArt	19	9	8¾	8¾	
Monolt	1626	11¼	10¾	10¾	−⅜
MonuC 1.30	3	31⅞	31⅞	31⅞	−¼
MooreF 1.20b	49	26⅜	26	26⅜	+⅛
MorFlo .01	120	18¾	17⅞	18¾	+⅝
MorKg .16	2	13	13	13	
MCSB	35	27	26½	26½	−¾
Morrsn .48	209	19¾	19⅝	19⅝	
Moseley	609	3⅞	3⅜	3⅝	−¼
Mosinee .36	26	13⅛	12⅞	12⅞	

Stock	Sales (Hnds)	High	Low	Last	Chng
MotClb .20	8	14¼	14¼	14¼	
Mueller 1.70	5	20¾	20¾	20¾	
Multbk s .64	28	24	23½	24	
Multmd .86	51	57½	57½	57½	+¼
Mylan s	980	24¼	23½	23¾	
N N					
NEC .13r	244	20⅛	19⅞	20⅛	−½
NMS	72	5	4¾	4⅞	+⅛
Napcol .10j	7	16	15½	15½	−¼
Napco s	29	12¼	12¼	12¼	
NathF t	12	3⅝	3⅜	3⅝	+¼
NBnTex .84	207	21¾	21¼	21⅝	−⅛
NCtySn 1.40t	16	14¼	13¾	14	+¼
NtlCty 2	31	45¼	45	45¼	+⅛
NCmBc .68	31	27½	27½	27½	+1¼
NCmNJ 2.80	9	69	67	67	−2
NtCptr s .20	99	18¼	18	18⅛	+⅛
NData .44	440	11⅞	11⅝	11⅝	−⅛
NHard s	1	7½	7½	7½	
NHlthC .37e	245	34¼	33	34¼	+1¾
Nt HMO	7	6⅞	6⅞	6⅞	+⅛
NtLumb	32	5½	5	5	−¼
NMicrn	439	4	3 11-16	3 11-16	−¼
NtlPenn 1.08	11	31½	30½	31½	+½
NtlPza	5	9½	9½	9½	+¼
NTech t	6	3⅞	3⅞	3⅞	
NtWnLf	72	15½	15⅛	15⅛	−⅛
NatrBty	48	3⅝	3⅜	3⅜	+⅛
Naugle	53	4⅞	4¾	4¾	
NelsnT .20	15	7	6¾	7	
Nelson	325	8½	8	8	−¼
NwkSec	575	8¾	8½	8½	−⅛
NtwkS s	987	22⅞	21¾	22	+⅛
NtwkEl	3	4¾	4¾	4¾	
Neutrg s	33	30¾	30	30⅝	+1⅛
NevNBc	6	5⅛	5⅛	5⅛	+¼
NBrunS	469	10⅞	9⅞	10⅞	+¾
NE Bus .52	20	27½	26	26½	
NwFPI g	97	¾	11-16	11-16	−1-16
NHmpB .80	23	26	26	26	
NJNatl 1.12b	44	26⅜	26¼	26⅜	
NYAirl	208	6¼	5⅛	6⅛	
NY A wt	24	¼	3-16	3-16	−1-16
NwCtry 1.10	72	17¾	17⅜	17½	−¼
NwldBk	52	12⅝	12⅛	12⅝	+⅛
Newpt .06	436	23	22½	22½	
NwpPh	789	10¼	9⅝	10⅛	−⅛
NrCal g t	782	3¼	3	3¼	+⅛
NickOG	230	11-16	9-16	11-16	+1-16
Nico	242	15¼	14½	15	+¼
Nike B .40	1224	11	10⅝	10⅞	
Nobel .25e	83	10⅝	10½	10½	
Nodway t	265	7¼	6¾	7	+⅜
Noland .56	15	24¼	24¼	24¼	+¼
Nordsn .66	13	18½	18¼	18½	
Nordstr .44	560	52½	50¾	51¼	+⅝
NrskB s	439	38⅛	37	37½	−¾
Norstan	388	7½	6¾	7½	+½
NoANat .01r	19	9⅛	9	9⅛	+⅛
NAtlin	47	6¼	6⅛	6⅛	
NCarGs 1.84	27	25½	25	25½	+½
NoFrkB 1e	18	36¼	36	36¼	+¼
NthHill	28	3⅝	3⅝	3⅝	
NWstTl 1.44	4	29	28½	29	+½
NestBc 2.40	423	57¾	56½	57¾	+1¼
NestSv	299	11¾	11¼	11⅜	−⅛
NoAir	13	5½	5⅜	5⅜	
Nthvw s	20	14⅞	14⅞	14⅞	+⅜
NwNG 1.44	180	19¾	19⅝	19¾	+¼
NwtFn s .68	19	31⅝	31	31⅝	+⅛
NwNL s .60	2127	28¼	27⅝	28	+⅞
NwstPS 2.10	34	23⅞	23⅝	23⅞	
Norws s .14	3	5½	5½	5½	+¼
Novmtx	11	4¼	4	4¼	+¼
Novar .01	30	19½	19	19¼	
NovoCp	15	3	2¾	3	+¼
Noxell .92	173	52⅞	51¾	52⅞	+1¼
NucMet	3	14	14	14	+¼
NuclPh	212	6⅝	6¼	6¼	
NuclSpt .12	151	18¾	17	18¼	+1¼
Numrax	96	7½	7⅜	7½	+⅛
Numeric .88	6	27½	27½	27½	+½
NutriF	224	8⅞	8⅝	8⅝	−⅛
NuMed s	530	10¾	10	10¼	−½
O O					
ORS	140	4¼	3⅞	4¼	+⅜
Oceaner	58	2⅜	2¼	2⅜	−⅛
Ocilla s	207	16¾	16¼	16¾	+½
OffsLog	383	1½	1¼	1½	
OgilGp 1.08	375	45¾	44¾	45½	+½
Oglbay 2.16	1	30¼	30¼	30¼	−1¼
OhioBc 2.52	36	48¾	48	48¾	+¾
OhioCa 2.80	139	60½	59½	60½	+1⅜
OilDri s	135	20	19¼	20	+¾
Oilgear 1.20a	2	27½	27½	27½	
OldFsh	12	4½	4½	4½	
OldKnt s 1	122	30½	30	30¼	+¼
OldNB s 2	1	54	54	54	+¾
OldRp s .74	38	33¼	33⅛	33⅛	
OldStne 2.08	56	26½	26¼	26¼	
OldS pfC 2.60	3	21½	21½	21½	
OlsonF	1	11½	11½	11½	
OneBcp .26e	203	19¼	18⅝	19¼	+⅜

Stock	Sales (Hnds)	High	Low	Last	Chng
OnLine	185	6¾	6½	6¾	+¼
Onyx	280	2½	2⅜	2⅜	−⅛
OpticC	161	14¼	13⅞	14¼	+⅜
OpticR	227	43½	42¼	43½	+1¼
Optrtc s	1	15⅜	15¾	15¾	+¾
Orbanc	2	18⅝	18⅝	18⅝	+⅛
Orbit	106	6⅞	6¾	6⅞	+⅛
OregMt 2.50e	107	9¼	8½	9	+½
OrtaCp	95	5¾	5¼	5½	+⅛
Oshmn .20	6	16½	16	16	
Osmnc s	15	16¼	15½	16¼	
OttrTP 2.76	134	30¾	30¼	30¾	+⅜
OvrExp	31	13½	13	13½	+½
OwenM .40	400	23¼	22⅞	22¾	−½
Oxoco	193	1⅛	1	11-16	
P Q					
PLM .12	190	7⅜	7⅛	7⅛	+⅛
PNC 2.32	127	58⅜	57¾	58⅜	+⅝
PT Com .06e	201	11⅝	11	11⅛	
Paccar 1.20a	231	45¾	45½	45½	−⅜
PacFst	109	11½	11¼	11¼	−⅛
PcGaR 1	33	22½	21½	21½	−½
PacTel .80	43	13	12½	13	+½
PacWB .12e	10	6¼	6¼	6¼	−⅜
Pacwst	27	17⅜	17¼	17⅜	−⅛
PacoPh	45	13⅜	12¾	13	−⅜
Pantch	133	3	2¾	2⅞	
PancMx .13	141	8⅜	8⅛	8¼	+⅛
Pansph	686	21⅜	20¾	20¾	+⅛
ParPh s	509	19¾	19¼	19¼	
ParTch	27	18	16½	17	−½
Partsan	98	15¾	15¼	15¾	+½
ParkCm	5	36½	35½	36½	+1
ParkOh .60	29	14¼	14⅛	14⅛	
Parkwy	5	21⅜	21⅜	21⅜	+⅛
PeantM	686	6¾	6⅛	6⅝	+½
Patlex	11	4	3¾	4	+⅛
Patrid	404	10⅜	10	10	−⅜
PaulHr t	573	23¼	22¾	22⅞	
PaulPt	99	11⅞	11⅝	11¾	−⅛
PayN	4	23¼	23¼	23¼	−⅛
Paychx	416	13¾	13½	13½	
Payco s	10	18½	18	18	
PeakHC	1290	16⅝	16	16	−⅝
PearlH	156	22⅛	22	22⅛	
PegGld .06t	198	9	8⅝	8⅝	−⅜
PennVa 1.60a	72	48½	48½	48½	−½
Penbcp 2	5	50½	50½	50½	
Pentar s .68	96	24¼	23½	23¾	−¼
Penwst	47	11¼	10½	11	+½
PeopEx	2672	11½	11	11⅜	+⅜
PeoE pf 2.64	93	19¾	19	19¾	+¼
PeoE pfB 2.50	27	31½	31⅛	31⅜	+¾
PeoBnC 1	18	35¼	35¼	35¼	−¾
PeopRt	242	5-16	¼	5-16	+1-16
PerpA	192	19⅝	19⅜	19⅝	
PersCpt	12	7¾	7⅝	7⅝	
Petind	21	4⅛	4	4	−⅛
PETCO	22	3⅛	3	3	
Petrite 1.12	436	28⅞	28½	28⅞	+⅛
Phrmct	1858	7½	6¾	6¾	−¾
Phrmcia .08e	179	16	15¾	15⅞	−¼
Phrmkt	502	4⅝	4¼	4⅝	+⅛
Phrm wt	6	4	3⅞	4	+⅛
PSFS .05e	1480	11⅛	10⅝	11	+⅜
PhilGl .50e	2972	16½	16¼	16¼	−⅛
PhnxAm	10	3⅛	2⅞	3⅛	+¼
PhotoC s	62	8⅛	8⅛	8⅛	−⅛
Physin .06j	223	5	4⅝	4⅝	−⅛
PicSav	135	25⅞	25⅝	25¾	−⅛
PicCafe .60	116	23¼	23	23	
PiedMg .36	65	15¼	15¼	15¼	+¼
PionFdl .45e	8	15	14¾	14¾	+¼
PionG s .30	19	20¼	20	20	−¼
PionHi .92	2850	34½	34	34¼	
PionSB	559	6⅞	6⅝	6⅞	+⅜
PionSt s .12	442	8½	8⅜	8½	
PlentrC .64	42	31¾	31	31¼	−¼
PlzCSc .10e	31	6½	6⅜	6⅜	+⅛
Plenum .96	59	42½	41	42	+1
PoFolk	50	9⅞	9¾	9¾	
PicyMg	388	25	24½	24½	−½
PonceF .25r	1	10⅛	10⅛	10⅛	+⅛
Porex	61	23⅛	22¾	23	+⅛
Powell	111	3⅝	3½	3⅝	
Powrtc s	47	11	10¼	10¼	−¼
PwConv	2	9	9	9	−⅛
Pratt s	156	3⅛	2¾	2¾	−⅜
PrecCst .12	315	32⅜	31⅜	32¼	+1
PfdFnct	20	6⅜	6⅜	6⅜	
PfdRsk .82	131	31¼	31	31¼	
PfdSav	2	7	6⅝	7	+⅜
PrpdLg	22	5¾	5¾	5¾	+⅛
PresLf s .08	162	21	18½	18½	−2½
PrstnCp .50	218	14⅞	14⅝	14¾	
Preway	148	4¾	4⅝	4⅝	
Priam	743	4	3⅞	4	+⅛
PricCm s	751	10¼	9⅞	10	+⅛
PricCo s	982	62¼	60	61½	+1½
PrimvO .16	55	6¼	6	6¼	+¼
Prtronx	374	11¼	10¾	11	−⅛
Prodigy	1	4	4	4	
ProdOp .16	75	5⅛	4⅞	4⅞	−⅛

Stock	Sales (Hnds)	High	Low	Last	Chng
Profinv	55	5⅜	5⅜	5⅜	−⅛
ProfitS .40	1	11	11	11	
ProgSys	2	5½	5½	5½	
ProgC s	101	34¾	34½	34¾	
Progrp	29	5½	5⅜	5⅜	
PrpInv	40	4⅝	3⅞	4¼	
PropTr 1.20	55	13⅝	13¼	13½	+¼
ProtLf s .66	473	19¾	19¼	19¼	−¼
Protcol	6	1¾	1½	1¾	+½
Provin	40	15⅝	15⅛	15⅜	+⅛
PrvLf s .76	87	23½	23	23¼	+¼
PbSNC 1.80	17	23¼	23	23¼	+⅜
PgSdBc 1.12	26	33¾	33½	33½	−¾
PulasF .60	48	26½	26	26¼	+¼
Pulmn	499	7	6⅝	6¾	−¼
Pulm wt	184	4¼	3⅝	3⅞	−⅜
PuritBn .40	19	24	23½	23½	
QMS s	914	10	9⅛	10	+¾
Quadrx	86	6⅞	6¾	6¾	−⅛
QuakC s .38	12	10¾	10¾	10¾	
QuarSy	53	1¾	1½	1¾	−⅜
Qntmx	73	11	10¼	10¼	−¾
Quantm	1201	21¼	21	21	+¼
Quarx s	6	6	5¾	6	+¼
QuestM	22	3½	3⅜	3⅜	−⅛
Questch	4	8¾	8¾	8¾	
Quintel	10	6¾	6¾	6¾	+¼
Quixote	6	10½	10	10	−½
Quotrn	7679	12	11⅝	11¾	−¼
R R					
RAX .01e	48	9½	9	9¼	
RIHT 2.48	11	53¾	53½	53½	+¼
RJ Fin .05e	7	9⅞	9¼	9½	+⅛
RLI Cp .56	30	27¼	26¼	27	+⅞
RPM s .58	133	18½	18⅛	18⅜	+⅛
RadSys	124	10¼	10	10⅛	−⅛
RadtnT	709	13½	12½	13	+¼
Ragen	152	6⅛	5¾	6	
Rainr s 1	613	29⅝	29⅛	29½	+⅛
Ramtek	24	4¼	4	4¼	
Rangair .24	5	6¾	6⅝	6¾	
Raymd s .70	1	24¼	24¼	24¼	+¼
RayEn .24	38	17	16¾	17	
Readng	121	20½	19¾	20	−½
REIT s 1.28	35	18½	15¾	15¾	−1
Recotn	29	6¼	6	6¼	+¼
RedknL .64	9	27¼	26¾	27¼	+½
Reeves	535	10½	10¼	10⅜	−⅛
Relac t	58	11½	11	11	−½
RgcyEl .20	103	6¼	6⅛	6⅛	
Regis s .12	3	15¾	15¼	15¼	−¼
ReidAsh	235	8¼	7¾	8¼	+½
ReidLb .03e	299	4⅝	4¼	4⅝	
Reliab	56	5⅝	5½	5½	
Renal	22	3⅝	3½	3½	
Repco	2	4½	4½	4½	−⅛
RntCntr	324	23	22¼	22½	−¼
RpAuto .44	59	9⅛	9	9	
RpHlth	2556	19½	18½	19½	+1
ResOM	20	3⅝	3⅝	3⅝	+⅛
ResExp	2	1⅝	1⅝	1⅝	−⅛
RestMg .06e	324	17¾	17¼	17½	−¼
RestrSy	55	15	14½	15	+½
Reuterl .15e	26	10½	10¼	10¼	−⅛
ReutrH .23e	351	28⅛	28	28	+⅛
ReverA 1.44	19	13	12½	13	+¾
Rexon	37	6⅜	6¼	6¼	−⅛
ReyRey 1.24	11	39½	39	39½	+½
Rhodes .24	70	14½	14¼	14¼	−⅛
Riblim s	103	8⅛	8	8⅛	+⅛
RichEl s	14	18¾	18⅝	18⅝	+⅛
RiggsN 2	33	58	56½	58	+1
Ritzys	81	2⅝	2⅝	2½	
Rival .80	185	15¾	15¼	15¼	−⅜
RoadSv 1	659	30½	30¼	30¼	
RobMyr	1	12¾	12¾	12¾	
Robesn t	15	7¼	7¼	7¼	+⅛
RobNug .06	10	13¾	13¾	13¾	
RobVsn	41	10⅝	10⅜	10½	
Rockor	1	19¼	19¼	19¼	
RckwH .14j	25	10½	10½	10½	
RMUnd	76	9⅞	9⅝	9⅞	+⅛
RkMtG .68	33	11¾	11⅝	11⅝	−⅛
Ropak	18	7⅜	7⅜	7⅜	
RoseSB .28a	22	22½	22⅜	22⅜	
Rospfch .60	40	18	17⅜	18	+⅛
Rouse 1.08	95	46¼	46	46¼	
RoweFr .12a	16	8½	8¼	8½	+⅛
RoyPlm	373	11½	11⅛	11½	+½
RoylRs	85	5⅝	5⅜	5½	
RoylAir	6	9⅜	9¼	9⅜	−⅛
RustPel	33	17⅛	16⅞	17⅛	+¼
RyanF s	66	18¼	18	18	−¼
S S					
SABHa s .13	73	10½	10	10¼	
SAY Ind	26	15½	15¼	15½	+¼
SCI Sy	434	13	12¾	12⅞	
SEI	137	18	17½	18	+¾
SFE .10r	23	9½	9¼	9¼	−¼
SP Drug	5	18	17¾	18	+¼
SRI .68	22	19⅛	18¾	19	+¼
STV	4	8½	8½	8½	−¼
Saatchi s .24j	53	26⅝	26¼	26⅜	
Safecd s	282	18	17¾	17⅞	−⅛
Safeco 1.60	805	42⅞	41⅝	42¾	+1¼
SafHlth	27	21¾	21½	21½	−¼
StJude	111	12½	12	12¼	+¼
StPaul 3	879	69⅜	68⅞	69¼	−⅝
SalCpt	2001	5⅛	4⅞	5	+⅛
SanBar .05r	4	9	9	9	−¼
SandChl	9	7⅜	6⅞	7⅛	+¼
Satelco	56	1⅝	1½	1⅝	+⅛
SatelSy .12	6	7½	7½	7½	
SavnF 1.60e	55	39	38½	39	+⅛
SevBcp .45e	102	23¾	23½	23½	−¼
SvBkPS .84	17	30⅜	30⅛	30⅛	
SaxonO	1	15-16	15-16	15-16	
ScanOp	69	8⅞	8¾	8⅞	
ScanTr	84	13⅝	13	13⅝	+⅜
Scherer .32	188	11¼	11	11	
Scholas	49	18¼	18	18¼	
SchlmA .40	824	21¼	19¼	21¼	+2
Scimed	117	6	5	6	+¼
SciDyn	67	8¼	8¼	8¼	
SciCmp .28	43	6¼	6⅛	6⅛	
Scilnc s	11	7¾	7¾	7¾	+¼
SciMic	333	6⅛	5⅝	5⅞	
SciSySv	109	6⅜	6¼	6⅜	+⅛
Scitex	186	15¾	15½	15⅝	−⅛
ScripH .60	2	38½	38½	38½	
SeaGal	407	9⅛	8⅞	8⅞	
Seagate	432	6⅝	6½	6½	−⅛
SeawFd .68	97	17¾	17	17	
ScNtBld 1.10	21	15	14½	15	+1
SecAF s	10	19	19	19	−¾
SecBcp 1.12	35	24¼	24	24	+½
SecTag	8	2⅝	2½	2½	+⅛
SEEQ	837	2¾	2½	2⅝	−⅛
Seibel .80	552	21¾	21½	21½	−⅛
Select	57	9¾	9½	9½	
Semicn	235	6½	6⅛	6⅜	−⅛
Sensor .05	857	7⅛	7	7	−⅛
SvcMer .08	1811	14⅜	14⅛	14⅜	+¼
Svmst s	x470	25¼	25	25¼	
Servico t	2	21⅜	21⅜	21⅜	−⅛
SevOak .16	682	13⅝	12⅞	12⅞	−⅝
ShrMed .48	338	29⅜	29	29⅛	−¼
Shwmt s 1.68	215	38⅞	38⅝	38⅝	−¼
Shelby s .16	230	18¼	17¾	18¼	+½
Sheldl s	185	12¾	12⅜	12⅜	−⅜
Shoney s .15	240	30¾	30½	30½	−⅛
ShonSo s	371	13½	13¼	13⅜	+⅛
Shpsmt .05e	7	3⅝	3¼	3¼	−½
SigmaR	1	4⅛	4⅛	4⅛	−⅛
Silicon	435	8¼	8	8⅛	−⅛
SiliconS	137	11⅛	10⅝	10⅝	−⅛
SilicVal	18	15¼	15	15	
Silicnx	138	19½	19	19	
Siltec	38	6¾	6¼	6¼	−¼
SlvStMn	192	1	31-32	1	+1-32

Stock	Sales (Hnds)	High	Low	Last	Chng
SimAir	139	14¾	14¼	14¾	+¼
Simpln .80	146	14⅞	14⅝	14⅞	+¼
Sippin s	125	14	13½	13½	
Sizzler	216	23¾	23	23½	+½
Skipper .06	34	10½	10¼	10½	+¼
SkyExp	11	3⅝	3⅜	3⅜	
SloanTc	5	7½	7½	7½	−¼
SmithL	186	3½	3¼	3⅜	−⅛
SmithF	57	9⅞	9⅝	9⅞	+⅛
Society 1.64	224	44¾	44¼	44½	−¼
SoctySv	18	15	14⅞	15	+⅛
Softech	125	7¼	7	7	−⅛
SoftwA	12	14⅛	13⅞	14⅛	
SftwPb	98	13⅝	13⅛	13⅛	−½
Sonesta .40	2	22	22	22	−½
SonocP 1.36	75	46¾	46½	46½	+⅛
SonrFd .30a	416	21½	20¾	21	+¼
SoMicG 1.52b	16	18¾	18¼	18⅝	+⅛
SoBcSC .88b	22	21¾	21⅜	21¾	+¼
SCalWt 1.80	96	24	23½	23¾	
SoHosp	107	5⅜	5⅛	5¼	+⅛
SthdFn .52	122	25⅝	25¼	25½	−¼
Soutrst 1	219	28	27⅞	27⅞	+⅛
Sovrgn .10	80	7	6¾	6⅞	
Sovran 1.88	108	46½	45⅜	45⅜	−⅛
SpcMic	22	1	⅞	⅞	
SpanA	68	9⅛	8⅞	8⅞	−⅛
Specdy	206	16¼	16	16¼	
Spctran	1230	21⅞	20⅝	21¾	+1
SpecCtl .06	73	6⅛	6	6	−½
Spctrm	81	12	11¼	11½	−½
SpertiD	65	2½	2⅜	2⅜	
Spire	15	14¾	14½	14¾	+¼
StarSr s	34	7⅜	7⅛	7⅛	−⅛
StafBld .20	24	6⅝	6½	6⅝	+⅛
Standy s 1	53	27½	27	27½	+¼
StdMic	585	13	12⅞	12⅞	−⅛
StReg s	x148	31½	29	30½	
Standun	12	7⅜	7⅛	7⅛	
StanfdT	6	14¼	14¼	14¼	−¾
Stanho s 1.20	1	23¼	23¼	23¼	−¾
StaStB 1.06	187	68	66	67½	+1½
StateG .15b	27	4⅞	4⅞	4⅞	+¼
Steiger	126	5⅞	5⅛	5⅞	+¼
SternrL	5	7¾	7¾	7¾	+⅛
StewSv	6	13⅞	13⅞	13⅞	−⅜
Stwinf .72	5	23	23	23	+¾
StewSn .15	1	3	3	3	
Stifel	22	6¾	6¾	6¾	
StckYle .16	7	13¾	13¼	13¼	
StockSy	29	10	9¾	9¾	
Stratus	939	15	14½	15	+¼
StrwCl s	14	35¾	35¼	35¼	−½
Stryker	354	32	31¼	31¾	+½
StuDS	39	21½	20½	21½	+1
StuartH .05	12	4⅝	4⅝	4⅝	
Subaru 1.68	262	138½	135¾	137⅞	+1⅞
SubAirl .05	220	5½	5	5½	+½
SubrB 1.92	126	57¼	57	57	−¼
Sudbry	150	9⅝	9⅛	9½	+⅜
SuffSB .12e	8	17½	17¼	17¼	−⅛
Sumito 1.16	1	15¼	15¼	15¼	
Summa	81	3¼	3⅛	3¼	+⅛
SumtB s .98	108	22¼	21¾	21¾	−½
SumtHl .09e	2138	12¼	12	12	+⅛
SunCst	1111	1½	1¼	1⅜	−⅛
Sunair .24	73	6¼	6⅛	6⅛	−¼
SunMed	15	9¼	9¼	9¼	+½
SunSL t	214	5½	5¼	5⅜	
SunstFd	160	4⅛	4⅛	4 3-16	
Sunwst 1.40	1	43	43	43	
SupRte .16	121	21¼	19¾	21¼	+1¼
SupSky	5	9	9	9	
SuperEl 1.20t	46	10⅜	10¼	10¼	−⅛
Suprtex	55	3⅝	3⅜	3½	+⅛
SurgAf	9	11	10½	10¾	+½
Sykes	168	¾	⅝	¾	+⅛
Symbln	185	3½	3¼	3⅜	−1-16
SymbT	84	11⅜	10¾	11⅛	−⅛
Symbllc	414	9¾	9⅜	9¾	+¼
Syncor	107	4¾	4⅝	4⅝	
Syntech	361	13⅞	13	13⅛	−¾
Syntrex	123	3⅞	3⅝	3⅝	−⅛
Syscon .28	102	16¾	16½	16½	+¼
SyAsoc	49	25¾	25¼	25¾	+¼
Systln	51	5¾	5⅜	5½	
Sysintg	2	9	9	9	
SystGn	63	7	6⅝	6¾	
Systmt .04	72	21½	21¼	21¼	
T T					
TBC	10	12¼	12	12	
TCA Cb .12	15	22½	22½	22½	−¼
TSI .08	3	9	8½	9	
TSR s	25	12	11½	12	
TacViv s	15	6⅛	6	6	−¼
Tandem	7776	18¾	17⅝	18⅛	+⅜
Tandon	1840	5½	5	5¼	−¼
Tchnal s	14	8¾	8	8¾	+¼
TcCom	34	9⅛	9	9⅛	+⅛
Tchinc s .03	2	7½	7	7½	+½
Telco	214	14	13½	14	+¼
TlcmA t	1177	33⅝	32¾	33⅝	+⅝
TelPlus	402	10	9⅞	10	
Telcrft	31	16⅛	15⅜	15½	
Telecrd .32	190	15¾	15	15	−½
Telepict	360	24⅝	23¾	24⅝	+¾
Telvid	277	3	2⅞	3	+1-16
Telabs	349	17	16¼	16½	−½
Telxon .01e	246	21¼	20¾	20¾	−¼
Temco	353	6⅝	6⅜	6⅝	+⅛
TrnplE	244	2¼	2	2¼	+¼
Tennant .92	9	21½	21	21½	+¼
TeraCp	34	2⅞	2¾	2¾	−⅛
TermDt t	128	7⅜	7¼	7¼	−⅛
Texdata	50	2¼	2⅛	2¼	+⅛
Texon	11	⅞	⅞	⅞	−1-16
Textne .25e	2	15¾	15¾	15¾	
TherPr	3	8½	8½	8½	−¼
Thrmd s	21	12¾	12½	12¾	+¼
Thetid	144	11	10½	10⅞	+⅛
ThrdNt 1.28	34	40¾	40⅝	40⅝	
TCBYg s	131	20	19⅛	19½	
Thorin	84	11½	10¼	11	+⅝
Thortec	1228	9¼	8½	9	−⅛
ThouT s	1268	16⅝	15⅞	16⅛	−⅝
3Com	441	7¼	6¾	7	−⅛
Tierco	5	8¾	8¾	8¾	−¼
Timbrld t	10	6⅜	6⅜	6⅜	
TimeE s	1462	8⅜	7⅝	7⅝	−⅞
TmeFib	116	12⅞	12½	12½	
Tiprary	59	9-16	7-16	½	
Tofu s	1440	25¾	22¼	22¾	−2¾
ToledTr 1.90	10	40⅜	40⅜	40⅜	+⅜
TotlSy s	14	20¾	20	20¾	
TrakAu	116	15¼	15	15¼	
Tranlnd t	62	6¼	5¾	6	−¼
TrnLa s	17	15¾	15½	15½	
Trnsdcr .02r	98	6¼	6	6¼	−⅜
Trnsnt	64	2¾	2⅝	2⅝	
TriadSy	77	6⅞	6⅝	6¾	+⅛
TriMic	455	5½	5⅜	5½	
TribCm	15	3⅛	3⅛	3⅛	−⅛
Trilogy	2838	1½	1⅜	17-16	−1-32
Trion .10	31	8½	8⅛	8½	
TrusJo .40	14	27¼	26¾	26¾	−½
TBkGa 1	27	38¼	38	38	−¼
TrstNY 1.40	30	39	37	39	+1¼
TuckDr	219	6	5⅞	5⅞	
TwnCty	28	¾	¾	¾	+1-16
Tylan	7	18	17½	17½	−½
Tyson s .08	181	19¾	19¼	19¾	+½
U U					
USLIC s .80	118	22	21¾	21¾	−¼
UST .94	48	26¼	25½	25½	
UTL	12	23	22¾	23	+¼
UltrBcp 1.28	3	33¾	33¾	33¾	
Ultrsy .08e	779	6½	6⅜	6½	
Ungrmn	1583	12½	11¼	11¾	−½
Unibcp	44	14	13¾	13¾	−¾

Stock	Sales (Hnds)	High	Low	Last	Chng
Unibc pf 1.53	6	15¾	15½	15½	
Unit	117	10⅞	10¾	10¾	
Unitrc s	6	12	11¾	12	
Unimed	218	11¾	11	11¾	+¾
UnFedl	207	11⅝	11¼	11⅝	
UnNatl s 1.02	9	24½	24	24½	+½
UnPlntr 1.09t	1846	23½	22½	22¾	+⅛
UnTrBc 2.40	178	67½	64	67½	+4
UnWarn	63	10¼	9¾	10	
UACm s .06	696	20½	19⅛	19⅛	−⅛
UBArz s .60	261	24¼	23¾	24	
UBAlsk .15r	71	10¼	9⅞	9⅞	−⅜
UBkSF	2	4⅝	4⅝	4⅝	+⅜
UBWsh	196	17	16½	16¾	+¼
UnBkrs .20b	8	10¾	10¾	10¾	−¼
UBCol 1.08	82	24¾	24¼	24¾	+½
UCarBc 1	127	30⅜	30	30	−⅛
UCtyGs 1.50	87	19½	19	19¼	+⅛
UnDom .92	15	13½	13¼	13½	
UnEdS	1	4⅝	4⅝	4⅝	+⅛
UFnGrp	55	7¼	7	7	−¼
UFstFd	63	19⅛	19⅛	19⅛	
UGrdn 1.64t	84	10½	10¼	10½	
UMoBn 1b	8	34½	34½	34½	
UnNMx .25e	110	10¼	10	10¼	−⅛
UPresd	140	12¼	11⅝	12¼	+½
US Bcp 1	174	28½	28¼	28½	+⅛
US Cap	144	3¼	3	3⅛	−⅛
US Dsgn	80	3½	3¼	3¼	−¼
US Env	111	7¾	7⅝	7⅝	−¼
US HC s	580	39½	38⅝	38¾	
USHltl	2	9¾	9¾	9¾	−¼
US Shlt .12	62	3⅝	3¼	3⅝	
US Sur .20e	268	21¼	20⅞	21	+⅛
USTrk 1.20	27	12⅞	12⅞	12⅞	
US Tr s 1.20	888	33½	33	33⅜	+⅜
UStatn .20	1148	18½	17¾	18	
UTelct	20	5¼	5¼	5¼	
UnTelev	184	22⅞	22⅝	22⅝	−⅛
UnTote	21	11½	11¼	11¼	−¼
UVaBs 1.64	70	45⅞	44¾	45	+⅜
UnvFrn	257	20¼	20	20¼	+¼
UnvHlt	2603	17⅜	17	17¼	+¼
UnvHld	19	5	5	5	
UFSBk	178	12¼	11¾	11½	+¾
UnvBTr .10e	3	16½	16½	16½	
UPenP 2	1	20½	20½	20½	
UrgeCr	1148	4½	4⅜	4½	+⅛
Uscale .21a	74	4½	4¼	4¼	−¼
USBc Ps 1.60	1	35½	35½	35½	−¼
V V					
VLI	948	7¼	6¾	7¼	+⅜
VLSI	125	12	11¾	11¾	
VMX	71	5¼	5⅛	5⅛	−⅛
ValidLg	4042	10¼	9¾	9⅞	−1⅛
ValFSL	184	17¼	16⅞	17⅛	
ValFrg .12	10	6	6	6	−⅜
VlNBc s 1.50a	7	45½	45½	45½	+1
ValNtl 1.20	1507	37	36⅜	36½	−¼
ValUtah 1.08	5	28¾	28	28	−⅛
Valmnt .60	66	19¾	19¼	19¾	+½
Valtek .09e	3	6	6	6	
ValLn .40	23	23⅝	23¼	23¼	−⅜
VanDus .40	20	13¾	13¼	13⅝	+½
VarShk	4	9½	9¼	9½	+¼
Vanzetl	50	8⅞	8⅝	8⅞	+⅜
VariCr s	55	7¼	7	7¼	+¼
Varlen .60	203	12¼	11¾	12¼	−¼
VectrG	74	½	½	½	−3-32
VeloBd s	8	9¼	8¾	8¾	
Ventrex	358	3¾	3½	3½	−⅛
VersaT .20	70	17½	16¾	17	−½
Veta	10	3-16	3-16	3-16	−1-16
ViconF	11	2¾	2⅝	2⅝	
Vicorp .09e	545	28¼	27¾	28¼	+½
VictBn 1	2	23	23	23	
VictraS	61	3	2⅞	3	
VidDisp	3	6⅝	6⅝	6⅝	
Vie deFr .22e	11	9½	9¼	9¼	−¼
Viking	6	12¼	12	12¼	+¼
Viratek	77	17½	17¼	17½	+¼
VaBech .24	70	8½	7¾	7¾	−¾
VisTech	1154	⅞	¾	¾	
Vitram t	40	6	6	6	+⅛
Vodavi	2070	10⅞	9¾	10¾	+⅜
VoltCp	24	4⅝	4½	4½	−⅛
VoltInf	5	16¼	16¼	16¼	−⅛
Volvo .48r	1469	24⅞	24½	24⅞	−⅛
Vortec .06	38	11¼	11	11	−¼
Vyquest	57	7	6¾	6¾	−⅛
W W					
WD 40 .86	148	21½	20¼	21½	+1⅛
WalbC s	25	14	13	13	−¾
WlkrTel	62	7¾	7⅝	7½	−⅛
WshE 1.76	205	22¾	22½	22⅝	+⅛
WFSL s .80b	499	33⅜	32¾	33⅜	+⅞
WMSB	749	13⅞	13½	13⅝	+⅛
WshSc s .12	50	23¾	23½	23¾	+¼
Watrist .11	13	5½	5¼	5½	+¼
WausPp .40	7	14½	14	14	−½
Wavetk	34	7	6¾	6¾	
Waxm s .08	357	17	16½	17	+⅜
Webb s .38	74	13¾	13½	13¾	
Wedgtn .98e	8	8	8	8	+⅛
WeigTr .40	4	12¼	12¼	12¼	−¼
Welsltd .50	5	12¼	12¼	12¼	+¼
Wespac .83a	87	9⅞	9⅝	9¾	+⅛
Wespc 2 .80	31	8	7⅜	8	+⅛
WAmBc .70	1	17¼	17¼	17¼	−¾
WestFn	189	14¼	14	14⅛	+⅜
WstCap	615	13⅝	13¼	13⅝	+⅜
WstFSL	461	13⅞	13¾	13¾	−⅛
WMicTc	2	7½	7½	7½	−¾
WMicr	18	7¼	7¼	7¼	−¼
WStLfe .34	22	12½	11½	12⅛	+⅜
WTIA s	36	22	21¾	22	
WmorC .40	83	17¼	17	17	−½
WstwdO .10e	31	29¾	29¼	29½	−¼
WstwdC	14	29½	29¼	29½	
Wettra .88	805	27⅞	27⅝	27⅝	−½
Weynbrg 1.36	9	59	58	59	+¼
Wicat	76	4	3⅞	4	
Widcom	425	8½	7¾	7⅞	−⅝
Wiland	3	6⅞	6¾	6⅞	+⅜
Wilmt 1.65	655	38½	38	38½	+½
WilfWW .56	11	12	11¾	11¾	−¼
WillAL	199	12¼	12	12	−¼
Willml t	2	9½	9½	9½	−½
WlmgTr 2	6	53	53	53	−¼
WilsnF	312	7½	7⅛	7⅜	+⅛
Wilton	5	2½	2½	2½	−¼
Windmr .07	381	7	6¾	6¾	−¼
WinnEn	246	7⅛	6¾	6⅞	−⅛
WisSGs 1.44b	3	32	31	31	
WiserO .60	23	19¾	19½	19¾	
Wolohn .16	199	7	6¾	7	+¼
Woodhd .60	49	13¾	13	13	−¾
Worthg .64	773	26½	26⅛	26⅜	+⅛
WrghtW .38	244	13¾	13¼	13¼	−¾
Writer .15e	1	8¼	8¼	8¼	+⅛
Wyman .60	73	24¼	23¾	24¼	
Wyse	825	10	9¼	9⅞	−⅛
X Y Z					
Xebec	529	4¼	4	4	−⅛
Xicor	357	6½	6⅛	6¼	
Xidex	3273	14⅜	13½	14	+⅜
YlowFt 1	215	38	37½	37¾	+¼
YorkFd .60	8	15	14¾	14⅞	+¼
Zehntel	21	4	3¾	3⅞	
ZenLb s	573	42½	40¾	41¾	−¾
ZenNtl .68	443	16¾	15¾	16⅝	+1⅛
Zentec	249	2¾	2⅝	2⅝	+⅜
Ziegler .48e	5	11¼	11	11	
ZionUt 1.24	137	35½	35¼	35¼	
Zitel	265	3	2½	2⅝	−⅝
Ziyad	37	5⅛	5⅛	5⅛	
Zondvn .08j	303	11⅛	10⅝	11	
Zycad	225	14	13¾	13¾	−¼
vjZytrx	285	⅝	½	⅝	+1-16